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NEWS SUMMARY

GENERAL

Letter bomb sent to Minister

A mail bomb was found at Beccles Post Office, Suffolk, yesterday addressed to Employment Secretary James Prior.

The package, like others sent to leading businessmen this week, had a Belgian postmark. The bombs are believed to have been sent by the IRA.

It was also revealed yesterday that a mail bomb had been delivered on Wednesday to the home of Richard Lloyd, deputy chairman of bankers Hill Samuel.

Bomb hoax

Three young Birmingham factory workers who sent their boss a hoax letter bomb bearing Belgian stamps "as a joke" were fined £100 at Birmingham Magistrates Court.

Iran sanctions

The U.S. is to ask the UN Security Council to impose economic sanctions against Iran, officials in Washington said. The move could face a Soviet veto in the security council. Bank bid fails, Page 2

Pol Pot ousted

Khmer Rouge leaders in Kampuchea have ousted Pol Pot as Premier and appointed the President, Khieu Samphan, to the post. Page 2

'Dino' jailed

Orestes "Dino" Babouris, 18, who was arrested in August after a police hunt, was jailed for six years at Ipswich Crown Court for offences including burglary, robbery, and using a firearm to resist arrest. His associate, Andrew Ross, 17, was jailed for four years.

Libya/PLO split

Libya has severed all formal contact with the Palestine Liberation Organisation in a worsening dispute between the guerrillas and Libyan leader Muammar Gaddafi, according to the PLO.

Navratilova move

The parents and sister of tennis player Martina Navratilova, who defected from Czechoslovakia four years ago, are to be allowed to join her in the U.S., say American sources.

Snow in Europe

As European cities had their first taste of snow this winter, London bookmakers lowered the odds against a white Christmas from 5-1 to 5-2 after a brief blizzard in mid-afternoon. Paris and most of France were blanketed. Weather forecast, Back Page.

Health agency

A central procurement agency for National Health Service purchases is to be set up in the New Year, Health Secretary Patrick Jenkin told Parliament. Page 3

Crowning glory

The Queen has approved a plan by the Master of the Mint to issue a special crown coin to mark the 80th birthday of the Queen Mother next August.

Briefly . . .

Nottingham Forest supporter Clifford Marriott, 17, was jailed for six months for throwing a dart at Arsenal goalkeeper Pat Jennings.

Chairman of the Northumbrian Water Authority Sir Ralph Carr-Ellison was taken to hospital after being injured by a piece of falling rock 600 ft below ground at the Kielder tunnel face.

A one-day strike by most of Spain's 13,000 dockers paralysed the country's ports.

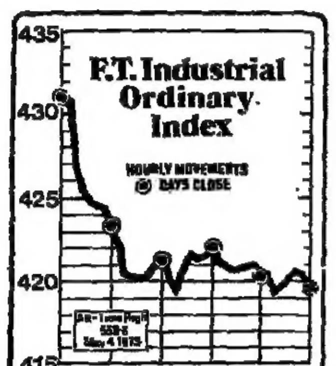
About 90m crackers will be pulled this Christmas, and one manufacturer is already producing crackers for sale at Christmas next year. Page 3

BUSINESS

Gilts firm; Gold up $9

● GILTS ended the week firm. Shorts gained 1/16, most longs put on between ¼ and ½, and the Government Securities index rose 0.15 to 65.46.

● EQUITIES moved in a narrow range, and the FT 30-share index fell 0.6 to 419.6 for a loss of 11.4 on the week.



● GOLD rose $9 in London to close at $478.

● STERLING closed 40 points higher at $2.2030, and its trade-weighted index was unchanged at 69.5. DOLLAR was slightly firmer and its index rose to 85.3 (85.1).

● WALL STREET was 4.09 down at 839.25 near the close.

Bankers warn on Chrysler

● CHRYSLER'S bankers warned privately that they would not accept some features of the U.S. Government's rescue programme for the motors group. Back Page

● CHASE MANHATTAN Bank moved quickly to deal with a slip-up in which the bank's Saudi Arabia office inadvertantly led the Saudi royal family to believe Chase had downrated the country's credit rating. Page 2

● HONG KONG and Shanghai Banking Corporation is discussing a takeover of Antony Gibbs, the small City merchant bank. Back Page

● GROSS DOMESTIC PRODUCT figures show the volume of Government consumption in the first half of the year was 2½ per cent higher than the 1978-79 average. Back Page

● RETAIL sales this month are expected to top £9bn—15 per cent more than last December's £7.8bn, according to the Retail Consortium which represents the bulk of the trade. Page 3

● INQUIRY into the powers of the Inland Revenue and Customs and Excise to enter offices and homes of executives whose companies are being investigated is being considered by Ministers. Back Page

● NEB is expected soon to ask the Goverment for permission to go ahead with the second £25m development stage of its INMOS microchip subsidiary. Page 3

● GOVERNMENT is to reorganise its Central Computer Agency and introduce savings to cut spending by about £40m over the next five years. Page 18

COMPANIES

● EUROCANADIAN Shipholdings' divestment of its 18.6 per cent stake in Furness Withy does not fulfil Eurocanadian's undertaking to the Government in 1976, the Department of Trade said. Back Page and Lex

● HOMFRAY, the Halifax-based carpet maker, announced restructuring plans which will mean the loss of 800 jobs. Page 3; Results, Page 14

● COMBINED English Stores is acquiring M. Mercado, a carpet wholesaler and importer, of up to £5.4m. Page 14

Steel strike likely in New Year as talks break down

BY CHRISTIAN TYLER, LABOUR EDITOR

Negotiations to avert a national strike in the State steel industry failed last night, and it seems likely that the steelworks will stay closed after the Christmas and New Year holiday.

Representatives of the biggest steel union unanimously rejected a "self-financing" pay offer as unacceptable, and the British Steel Corporation said that the two sides were "a mile apart."

The breakdown was reported to the Government, which faces the first big industrial relations crisis of its eight-month administration.

British Steel said, and the Department of Industry confirmed last night, that Ministers have stayed well away from the negotiations so far.

The strike, set for January 2, would be the first national steel strike since the 1926 General Strike.

If it lasts more than a few weeks, it would begin to shut down major British industries, such as motor manufacturing, especially BL, shipbuilding, construction, heavy engineering and the prosperous canning industry.

Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said that, because so many other unions would be involved, the strike could "escalte into something pretty horrific in terms of confrontation with the Government."

According to Mr. Hector Smith, of the National Union of Blastfurnacement, which decided yesterday to join the strike, the action could last "a very long time—possibly many weeks."

For safety reasons, blast furnaces will be damped down, but not shut down.

Dockers and transport workers are likely to support the action, and the National Union of Railwaymen has given a written pledge that its members will not move raw materials or cross picket lines.

> THE FINANCIAL TIMES will not be published on Christmas Day and Boxing Day

The railmen will, however, move finished steel products already at terminals, and will not block imports for the private steelmakers.

Mr. Len Murray, TUC general secretary, hastened to BSC headquarters as the talks broke down, and spent a long time with both sides assessing the mood.

He will try to get talks going again because of the wide implications for large sections of the trade union movement inspite of the BSC's insistence last night that it has no money with which to improve the offer.

Mr. Murray is only too conscious that a major confrontation is on the cards, and knows that, once a traditionally moderate union such as the ISTC has the bit between its teeth, it can be very hard to stop.

A special meeting of the BSC Board is likely to be called in the next few days. Mr. Bob Scholey, chief executive, said: "I would have said we are a mile apart. We cannot conjure up fresh money: that's for a start." Circumstances were not likely to change.

"I think the whole thing is highly dangerous, and it could well emerge that the industry is even smaller than the 15m tonnes we are talking about."

The corporation has already announced this reduction in capacity to meet its cash limits, with the loss of 52,000 jobs by next August.

This has raised the threat of separate industrial action in the New Year, especially from South Wales miners, who stand to lose 15,000 jobs.

The new offer put forward by

Continued Back Page

Dockers support blacking: Shotton pay-offs, Page 3

£7m tax claim faces M & G

BY JOHN MOORE

M AND G GROUP, one of the biggest unit trust groups in the country, is facing a £7m claim from the Inland Revenue for possible unpaid tax liabilities.

The group's shares fell 43p to 183p after the directors had earlier halted dealings ahead of the announcement. At the end of the previous day's trading M and G was valued in the stockmarket at £15.6m. But last night the group was valued at £11.8m.

Because of the problems with the Revenue, major management changes have been made in the group. Mr. Edgar Palamountain, M and G's chairman, who once headed the Unit Trust Association, and Mr. Clive Fenn-Smith, the group's managing director, have resigned.

Mr. David Hopkinson, who has become managing director of the holding company, said yesterday: "There is egg on the company's face which is presumably why my colleagues felt it their duty to resign."

The Revenue's move is because M and G may have acted outside the scope of Section 315 of the Income and Corporation Taxes Act, 1970. This lays down strict guidelines about the exemption of tax liabilities of foreign life assurance funds.

M and G said its scheme had involved the foreign life fund of M and G Endowment and Pensions Assurance Company, whose tax exempt status is now being contested. Endowment and Pensions, based in Chelmsford, Essex, had been writing foreign life assurance business by re-assuring business placed with it by a number of life assurance companies resident outside the UK.

The life assurance companies are Bermuda Fire and Marine, European Life and Pensions and its sister company European Life (Channel Islands), and the Life Association of Guernsey. M and G Trust Assurance (Channel Islands) originated the scheme but stopped participating in 1970.

Mr. Andrew Caldecott, who is taking over as chairman of M and G and is also vice-chairman of Kleinwort Benson, said yesterday that the Revenue's attack could "very well have to do with a tougher attitude towards cracking down on tax evasion."

M and G is to make a substantial provision to prevent a deficiency arising in the foreign life fund of M and G Endowment. It is transferring £2m from reserves into the fund, while Kleinwort Benson, the merchant bankers, which holds 37.48 per cent of M and G's shares, has undertaken, if called upon before September 29, 1980, to pay up to £5m into the fund to prevent any deficiency.

Revenue powers probe, and Lex—Back Page

Offshore oil output to be raised

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT is to increase North Sea oil production next year in an attempt to halt spiralling crude prices and ease pressure on world supplies.

The Energy Department is to relax its restrictions on wasted natural gas so that Shell and Esso, linked as a leading offshore producer, can produce more oil from the big Brent Field, north-east of the Shetland Islands.

The move was made known as new North Sea forecasts showed that the average UK production level in 1980 might be more than 200,000 barrels a day lower than expected earlier this year. That drop in output, almost a tenth of original forecast levels, was expected to result in part at least from production restrictions at Brent.

Government officials were aware that its policies might be criticised by Britain's EEC partners, the U.S. and perhaps some moderate members of the Organisation of Petroleum Exporting Countries (OPEC), especially Saudi Arabia, if reduced output was seen to be contributing to a tight world market.

The "hawks" at last week's OPEC meeting in Caracas, which failed to agree on pricing policies, have made clear that they will use a tight oil market in an attempt to force prices well over the $30 a barrel mark.

Iran and Libya are leading the campaign; each is pressing for a basic reference price about $34 to $35 a barrel. Saudi Arabia, however, hopes that a slight glut in oil supplies—arising from maintained OPEC production, higher output from non-OPEC producers such as the UK, and dampened demand—will keep down the higher prices being asked.

Britain has emerged in a central role in the international market. Next year its North Sea production should average more than 1.8m barrels a day, putting it among the world's top dozen producers.

Three months ago the Energy Department told Shell and Esso to cut Brent's production by 85,000 barrels a day to a maximum of 100,000 b/d to reduce the amount of natural gas being flared and wasted.

Such gas is produced in association with the oil. The field's operators had to flare the gas into the atmosphere because the development of a gas pipeline and shore terminal had been delayed and the production platform facilities then lacked equipment to reinject the unwanted gas back into the reservoir.

The orders meant that Shell and Esso would flare 170m cubic feet a day, half the previous level.

Under the amended order, applied not to oil production levels but specifically to gas flaring, Shell and Esso are still restricted to 170m cubic feet a day of flared gas but have been told that for the next three months at least they can produce oil as fast as they like.

Achiev Ashwood

The Rhodesia peace signing at Lancaster House. (L. to R.) Dr. S. Mundawara, deputy leader of the Salisbury delegation; Bishop Abel Muzorewa, its leader; Lord Carrington, Foreign Secretary and conference chairman; Sir Ian Gilmour, Lord Privy Seal; Mr. Joshua Nkomo (Zipra) and Mr. Robert Mugabwe (Zuala), (co-leaders of the Patriotic Front delegation.

Rhodesia agreements signed

BY BRIDGET BLOOM IN LONDON AND QUENTIN PEEL IN SALISBURY

THE Lancaster House Rhodesia Agreements, which signal the end of 14 years of rebellion in Rhodesia and seven years of bitter guerrilla war, were signed in London yesterday afternoon.

As the leaders of the three delegations to the now concluded 15-week Lancaster House talks put their names to the formal documents, Lord Soames, British Governor in Rhodesia, announced a general amnesty and lifted the ban on the political parties comprising the Patriotic Front.

The Lancaster House Agreements, some 100 pages of documents covering the independence constitution and arrangements for an interim government, elections and a ceasefire, were signed in the white and gilt Long Gallery of Lancaster House in the presence of Mrs. Margaret Thatcher and the Ambassadors and High Commissioners of the U.S. and many African and Commonwealth states.

Lord Carrington, Foreign Secretary and conference chairman, who with Sir Ian Gilmour, his deputy, signed for Britain, declared his "strong sense of hope" that the signing of the Agreements by the Patriotic Front and Salisbury delegations would mean that "at the end of a bitter conflict lies the prospect of national reconciliation."

As if to emphasise that point, Mr. Joshua Nkomo and Mr. Robert Mugabe, joint leaders of the Patriotic Front, joined the leaders of the Salisbury delegation, Bishop Muzorewa and Dr. Silas Mudawarara, and Lord Carrington in a general handshake at the end of the short but highly public ceremony.

In contrast to the opening of the conference on September 10, when the Patriotic Front leaders rejected Britain's invitation on the ground that they would not socialise with the Salisbury "puppets," all delegation heads attended a reception after the ceremony.

The sober mood prevailed even at the reception, if only because all parties to the Agreements are aware of the enormous obstacles to be overcome if they are to be successfully executed.

The ceasefire process was to begin at midnight last night with orders that cross-border raids by both sides must stop and that Rhodesian forces must begin to disengage. The ceasefire date is December 28 and all troops must be in their assigned positions on January 4.

Rhodesian forces should then be in prescribed bases, and the

Continued Back Page

South Africa runs out of Krugerrands for sale

BY BERNARD SIMON IN JOHANNESBURG AND DAVID MARSH IN LONDON

SOUTH AFRICA has run out of Krugerrand gold coins to sell. Because of a sudden strong demand for the one-ounce coins, the country's Chamber of Mines said in Johannesburg yesterday that it will not be able to execute any further orders until the mint opens after the Christmas and New Year holidays.

Sales of the coins, which sell at a small premium over the price of gold, have reached a record 695,030 this month, mainly because of high demand in West Germany, where a value-added tax on gold coins is to be introduced on January 1.

The strength of the market has surprised the Chamber, since sales in October and the first half of November were at their lowest for several years. Fewer than 100,000 coins were sold in October, while 390,000 were sold in November.

This month demand for gold coins generally has been buoyant, in line with the sharply higher bullion price, which reached a peak of nearly $500 an ounce this week.

$ in New York

—	Dec. 20	Previous
Spot	$2.1965-1980	$2.2000-2015
1 month	0.43-0.38 dis	0.49-0.44 dis
3 months	1.10-1.05 dis	1.05-1.00 dis
12 months	4.20-4.00 dis	4.45-4.25 dis

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 15pc 1985	£102⅞	+ 1⅛
Bank of Scotland	278	+ 10
Barclays Bank	428	+ 8
Bunzl Pulp	102	+ 7
Burnett Hallamshire	465	+ 10
Caledonian Cinemas	800	+ 25
Common Bros.	288	+ 16
Dixon (D.)	116	+ 4
Friedland Doggart	114	+ 4
Gibbs (A.)	70	+ 21
Hammerson A "New"	132pm	+ 12
Land Secs.	258	+ 4
Marston Thompson	107	+ 3
Preedy (A.)	67	+ 7
Towles	105	+ 10
Unigate	113	+ 3
Empire Plantations	25½	+ 2½
General Mining	725	+ 55
Northern Mining	155	+ 15
Western Holdings	£21¾	+ ¾

FALLS

Bowring (C. T.)	126	− 4
Celestion Inds.	18	− 3½
Danks Gowerton	40	− 5
Furness Withy	343	− 4
ICI	363	− 5
Kleinwort Benson	123	− 6
M and G	135	− 43
Montfort (Kg. Mills)	76	− 8
Ward Goldstone	54	− 4
Williams and James	195	− 5
Clyde Petroleum	304	− 9
Vaal Reefs	£26¾	− ¼
Zambia Copper	40	− 6

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OVERSEAS NEWS

Kennedy assails Carter over OPEC rises

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

SENATOR Edward Kennedy yesterday launched a frontal assault on the Carter Administration, accusing it of conniving at the latest round of oil price increases by the Organisation of Petroleum Exporting Countries.

He alleged that Mr. G. William Miller, the Treasury Secretary, who visited the Middle East a month ago, had "invited OPEC to gouge the American public once more with higher prices."

In a tart response, Mr. Miller said that the Senator was guilty of "outright fabrication" and a White House spokesman demanded that Mr. Kennedy provide justification for his charges or be held accountable for them.

The cost of energy is bound to be an important political issue in early primaries next year, especially those in New England, Mr. Kennedy's heartland.

Precise estimates of the impact of higher energy costs on the U.S. economy are hard to come by. This is because it is by no means clear what the real international price of oil will be, given the lack of agreement in OPEC and uncertainties for both production and demand next year.

Mr. Charles Duncan, the Energy Secretary, estimates that the price of a barrel of oil will cost between $28 and $30, compared with about $25 before the developments of the last week.

This would translate into at least an extra percentage point increase in the consumer price index next year. Combining oil price increases in train earlier this year with those arising from the latest round will add an additional 3.1 per cent to the retail price level according to Administration economists.

Mr. Duncan calculated that petrol at the pump would go up by between four and eight cents a gallon, from the current national average of $1.02 per gallon, and home heating oil by 3-7 cents from about 87 cents a gallon.

Combining earlier oil price increases and those of the last week will reduce gross national product by an estimated $82bn and will mean that by the end of next year unemployment will be 1.3m higher than it would otherwise have been.

Row over differentials divides cartel

BY RICHARD JOHNS IN CARACAS

AT THE close of the Organisation of Petroleum Exporting Countries (OPEC) conference in Caracas on Thursday, Mr. Ali Akbar Moinfar, Iran's ebullient Minister of Oil, made the novel proposal that in future the producers' association should hold its proceedings in a stadium.

"We have nothing to hide," he declared. Yet even behind closed walls and despite traditional OPEC secrecy, differences between the member States were all too apparent.

Iran, Mr. Moinfar insisted, was neither a "hawk nor a pigeon." But as expected, his country proved to be one reason why OPEC could not reach agreement on a common price structure, not least through its action ahead of the conference in setting a price of $28.50 for a barrel of its Iranian light crude.

From the start, it was clear that the gap between the price arbitrarily announced by Iran and the $24-a-barrel figure set by Saudi Arabia three days previously could not be bridged.

Conceptually, Iran's unilateral escalation was more jarring to the cartel than Libya's jump to $30.00. Until its disintegrated this year, OPEC's price structure had rested upon the level set in the Gulf, which accounts for two-thirds of collective OPEC output. The understanding had been that prices set by other producers should be related, but could have moved up or down according to market forces.

Nevertheless, the feeling among more moderate OPEC members was that the common price structure, albeit a fragile one, might be established even if maverick revolutionary Iran was out of line and not part of it.

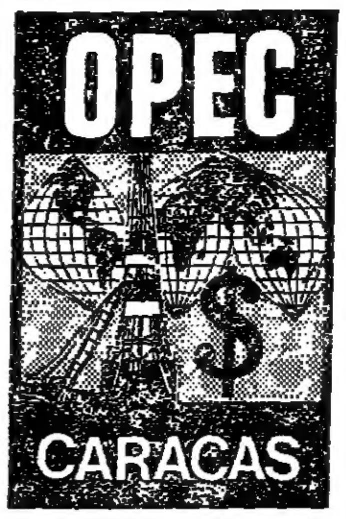
As it turned out, Libya's pre-emptive move was more serious, not so much because of the size of its increase, but because of the way in which it was justified and defended subsequently by Algeria and Nigeria, as well as Libya itself. In effect, it raised the issue of differentials, which OPEC has been reluctant to tackle.

At the outset, the OPEC meeting had been preoccupied with the level of the basic price. Saudi Arabia, together with the United Arab Emirates and Qatar, initially stood firm at $24.00. Venezuela, Iraq, Kuwait, and Algeria wanted at least $26.00, including a "surcharge" of $2.

Nigeria, usually in low profile but taking an unprecedented initiative, proposed a 10 to 15 per cent increment on top of $24.00. This would have brought the level to $26/$27. Libya pitched for $24.00 and Iran for $35.00.

Sheikh Ahmed Zaki Yamani, the Saudi Minister of Oil, had a mandate to go up to $25. To break the deadlock, he subsequently sought and received authority on Wednesday from his political masters in Riyadh to offer $26.00.

Moderate OPEC members appreciated this gesture as a major concession. Such a basic



reference for Arabian Light, traditionally the "marker" crude to which the prices of other varieties are related, could have accommodated price levels from North African producers of $30.00

Such a solution was acceptable, if not welcome, to Iran and Libya, which knew that their maximalist demands could never be approached.

"We were very close to an agreement," said a disappointed Dr. Humberto Calderon Berti, the Venezuelan Minister of Energy, after the conference. But then came the dispute over differentials, which reached a strident pitch on Wednesday night.

The more moderate camp did not deny the right of African producers to sell at $30.00 or whatever price demand had sustained. But they insisted that as disparity of $4 above $26.00 could not be regarded as the proper differential (as the term has traditionally been understood in respect of a relative quality, gravity and proximity to markets) because it grossly over-valued those premium grades. At the end of 1970, for instance, the gap between the "marker" and Libya's top-quality oil was only $1.20.

The origin of the trouble was the various "surcharges" imposed in the first half of this year. Described at the time as temporary, most OPEC members came to look upon them as a permanent part of their differentials.

Here in Caracas, Saudi Arabia, Venezuela and Kuwait insisted that lower "historic differentials" should be restored. The top layer of the total price over and above them should be regarded as a "temporary surcharge" to be adjusted up or down according to market demand, they maintained.

Their argument was based less on jealousy than on a recognition of long-term market realities and the fact that no unified price structure could endure if it did not take relative values into account.

Opposition was fiercest from Algeria and Nigeria. It left the Venezuelans, in particular, feeling bitter and betrayed. Now the view of the minimalists is that re-unification of the price structure will have to await a more stable and softer market. Sheikh Ali Khalifa al Sabah, Kuwait's Minister of Oil, reckoned the appropriate time to make another attempt would be three to six months from now.

The hope is that the short-term surplus in the spring predicted by Saudi Arabia, Venezuela and Kuwait will prove their point that the hard-liners have grossly exaggerated what they claim to be their differentials. In particular, market conditions could force the top prices down.

Challenging this assumption, Mr. Moinfar of Iran said: "In the name of God Almighty, there won't be an oil glut early next year."

That remains to be seen. The answer could be affected by the extent of production cuts.

So OPEC continues with a multi-tier price structure. Yet paradoxically, Sheikh Ali Khalifa could honestly describe the conference as "one of the most successful meetings ever."

King Khaled: a hasty reassurance

Slip by Chase in Saudi relations

By Duncan Campbell-Smith London and James Buchan Jeddah

CHASE MANHATTAN Bank has moved quickly to deal with an embarrassing slip-up in its relationship with Saudi Arabia. Mr. David Rockefeller, its chairman and chief executive, sent a personal telex to Sheikh Abdulaziz al-Quraishi, the governor of the Saudi Arabian Monetary Agency (SAMA), to emphasise that his bank had in no way changed its stance towards the kingdom.

In an extraordinary misunderstanding, Chase's regional office for Saudi Arabia, which is located in Bahrain, inadvertently led senior members of the Saudi royal family to believe that Chase had downgraded its credit rating for the country. The episode has raised two questions:

First, how has Saudi concern risen to the point where some practical illustration of U.S. good faith is required in addition to the verbal reassurances given to the Saudis by Mr. William Miller, the Treasury Secretary, during his trip to Riyadh in November?

Second, how have relations between Chase and the National Commercial Bank and other Saudi banks been affected? According to senior London bankers, Chase's head office in New York has asked all its branch offices to submit details of all Chase commitments to the NCB, at December 17.

However, a Chase spokesman in London last night denied that any review was being undertaken and stressed that relations with NCB remained "excellent."

Since the freezing of the official Iranian assets held in U.S. banks, rumours have circulated wildly in Jeddah and Riyadh about the attitude of Chase and other major New York banks towards Saudi Arabia.

The misunderstanding followed an approach to Chase's Saudi office by the NCB, based in Jeddah, and the kingdom's largest commercial bank. NCB requested quotations for deposits and short-term loans. Chase responded with an offer rate so far off the market rate as to deter any borrowing.

But unknown to Chase, the approach had been made by NCB on behalf of the Saudi Arabian Monetary Agency, which was acting on behalf of members of the royal family.

Chase's response was clearly interpreted as firm evidence of a major policy change by the bank towards Saudi Arabia. According to Chase, however, the bid and offer quotations which were made only reflected the bank's global treasury requirements on that day.

The reaction within SAMA was co-ordinated by Sheikh Ahmed Abdullatif at the request of members of the Royal Family. It is not known what was said to Chase's senior management, but last Monday the vice president in charge of Chase's Saudi office, Mr. Peter J. Nice, made a hasty visit to SAMA's offices in Riyadh to explain that normal technical considerations had prompted Chase's response.

The text of Mr. Rockefeller's telex has not been disclosed, but a spokesman for the bank in London said: "Chase Manhattan has not changed its attitude towards Saudi Arabia's creditworthiness in any way and will continue to do business with them."

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Japan's economy expected to grow 4.8% next year

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S economy will grow by 4.8 per cent in real terms during fiscal year 1980 (April 1980 to March 1981) according to the Japanese Government agency concerned with economic planning forecasts.

This will be slower than the 6 per cent growth rate now widely expected for the current fiscal year. But it will still be enough to prevent unemployment increasing, the agency says.

It adds that the economy will grow slowly in the first half of the fiscal year, but more rapidly in the second half as problems associated with higher oil prices begin to be overcome.

Growth will depend in part on a fairly sharp recovery of Japanese exports, which are projected to grow around 16 per cent to $122bn. This will be in contrast with the situation during most of the past year when Japan's economic growth has been domestically generated.

The Government forecasts a $11.3bn current account deficit for the 1979 fiscal year ending next March, followed by a reduced deficit of $9.1bn in fiscal 1980. The 1980 figure, however, is acknowledged to be a tentative guess.

Today's forecast takes no account of the likelihood that the breakdown of OPEC's Caracas conference will be followed by a new upward spiral of oil prices. It is somewhat more optimistic than the consensus of private opinion of Japan's 1980 economic prospects, but comes close to the OECD figure of 4.75 per cent.

Pol Pot: to lead guerrillas

Pol Pot replaced as Premier

KAMPUCHEA's ousted Khmer Rouge regime was yesterday reported to be removing Pol Pot from the Premiership in a bid to win international favour. But he may continue as a main source of power in the regime, controlling its guerrilla fighters, Reuter reports from Bangkok.

He is to be succeeded as Prime Minister by the Khmer Rouge President, Khieu Samphan, one of the architects of the revolution that emptied the cities of Kampuchea and killed hundreds of thousands of people in the three and a-half year of Khmer Rouge rule.

Czechs lose appeals

THE Czecholslovak Supreme Court yesterday rejected appeals by six members of the Charter 77 civil rights movement and confirmed sentences totalling 19½ years imposed in October on charges of subversion against the State, Anthony Robinson reports.

New S. Korea president

Mr. Shoi Kyu-hah, 60, sworn in yesterday as South Korea's fourth President following the assassination of President Park two months ago, declared that his "interim" Government will revise the constitution and restore democratic instiutions by 1981, our Seoul correspondent reports.

U.S. economy continues to expand

BY OUR U.S. EDITOR IN WASHINGTON

IN SPITE of the ravages of inflation and apparent changes in the business cycle, the U.S. economy is continuing to expand in real terms, a confidential Government report suggests.

According to very preliminary data, gross national product in the final quarter is running at a real annual rate of 1-1½ per cent. Although below the 3.1 per cent real growth of the previous three months, the expansion flatly contradicts the almost universal expectation of a contraction in economic growth at the end of this year.

The principal reason can be found in the continued resilience of consumer spending. As the latest consumer price index, published yesterday, shows that inflation is rising faster than personal income, Americans are apparently continuing to reduce savings to finance purchases.

It may also mean that inflation, as measured by the consumer price index, is biting unevenly. In November, for example, when the index rose by a further 1 per cent, about half the increase was accounted for by higher housing costs.

The great majority of American home-owners, unlike their British counterparts, enjoy fixed interest mortgages and have not been severely affected by the soaring interest rates that have resulted from the Federal Reserve's tight monetary policies.

In November, with the exception of the housing and transport sectors, most increases in retail prices were relatively moderate. Food prices, for instance, only went up by 0.6 per cent, utility bills actually declined, and, though petrol at the pump cost 1.7 per cent more in November, the price of home heating oil rose by just 0.4 per cent.

Over the past few months the consumer has proven capable of withstanding the strain of what has been a 12.6 per cent increase in consumer prices since November of last year. During this period, real disposable (after tax) income has dropped by 5.1 per cent. In November, real income fell by a further 0.3 per cent.

Blame shared for DC-10 crash

BY STEWART FLEMING IN NEW YORK

AMERICA'S National Transportation Safety Board, which is charged by Congress with investigating crashes, has decided that American Airlines must shoulder most of the blame for the worst domestic air crash in U.S. history in Chicago last May.

Tre Board has concluded that the crash, involving a McDonnell Douglas DC-10 in which all 271 passengers were killed shortly after take-off, was triggered by a 10-inch crack in an engine mount and that the airline's maintenance procedures were a prime cause of the crack.

It also says that McDonnell Douglas and the Federal Aviation Administration must share some of the blame.

The division of responsibility could have some impact on damages claims filed by relatives of crash victims. Unofficial estimates have put these claims at over $150m.

The board's decision came after two days of discussion. There were initially disagreements between the five members on how to apportion blame.

In its final ruling, the Board said that the probable cause of the crash was separation of the engine from the aircraft on take-off, the event which caused the crash, was induced by maintenance practices.

But it listed as contributing causes McDonnell Douglas's design of the engine mount and deficiencies in the Federal Aviation Administration's inspection and reporting systems.

Split over Spain's new labour law

By Robert Graham in Madrid

SHARP DIVISIONS between the Socialist and Communist parties over Spain's new labour law have seriously damaged relations between the two parties, and short-term prospects for trade union unity.

The new labour law approved on Thursday by Congress, the lower House of Parliament after almost two weeks' debate, will now pass to the Senate but is unlikely to be substantially changed.

It will replace present confused and largely outdated legislation that applied when trade unions were illegal and management and labour were organised into the syndicates of the Franco era.

Before the Parliamentary debate the Socialists said they would support a moderate law, aligning themselves close to the Government and reflecting an agreement in July between the Socialist General Workers' Union (UGT) and the Spanish Employers' Association

The Communists and the Confederation of Workers' Commissions (CCOO), the trade union it controls, were deeply hostile to the proposals, which, they argued, gave insufficient job protection to workers and were designed to emasculate trade union power.

Behind the confrontation lies a struggle by the Socialists, with tacit Government support, to reduce the CCOO's power, which is the main source of the Communist Party's political weight.

Iran suffers setbacks in courts

BY OUR FOREIGN STAFF

IRAN suffered a number of setbacks in European courts yesterday in its attempt to retain control of its foreign assets. The verdicts indicated that international legal opinion is strengthening in favour of court action arising out of President Jimmy Carter's freeze on Iranian holdings in U.S. banks.

Citibank, the major U.S. bank, scored two successes when it successfully defended its refusal to release a deposit in France to the Iranian Central Bank and won court support in West Germany to lay claim to the Iranian state investment in the Krupp industrial group.

The Paris commercial tribunal also confirmed an earlier ruling which authorised Eurodif, the French-based uranium enrichment group, to freeze Iranian claims on France's Atomic Energy Agency and the French state.

Yesterday's judgments may well deter the Iranian authorities from proceeding with a wide range of other legal actions in U.S. and European courts.

However, lawyers acting for the Iranian Central Bank in Paris reacted immediately to yesterday's negative ruling by saying they would take further action to secure the release of $50m being held by Citibank there.

It was the Central Bank's second failure in the case. The court declared itself incompetent to judge the case under a summary procedure. Court officials said the normal legal process could take a year or more.

In West Germany, a spokesman for Friedrich Krupp GmbH said Citibank had obtained an attachment of Iran's 25.01 per cent interest in the engineering concern. The award was made by a local court in Essen which earlier gave the same right to the Morgan Guaranty bank.

In other developments in Iran yesterday:

- Fighting continued in the Baluchistan minority area for the second day running, leaving eight dead and over 70 injured.
- The spiritual leader of the Kurds, the most militant ethnic minority, rejected a Government plan for self-rule.
- Ayatollah Hossein Ali Montazeri, a senior member of the ruling Revolutionary Council, called on the Arabs to use their "oil weapon" against the U.S. He also attacked Mrs. Margaret Thatcher's support for the U.S.

Ceasefire enlivens Rhodesia Stock Exchange

BY QUENTIN PEEL IN SALISBURY

THE RHODESIAN ceasefire agreement has been met in the Salisbury Stock Exchange with an unprecedented burst of activity.

In spite of widespread scepticism in the white Rhodesian community, which dominates business here, over the durability of the pact reached in London, turnover on the Rhodesian stock exchange has broken all records during the past week.

In the seven days to Tuesday, the day after the Patriotic Front finally initialled the ceasefire agreement, the number of Rhodesian shares traded in Salisbury topped 1m for the first time in the exchange's history. The value was Rh$ 1.9m (£1.3m), also a record.

Since then, a slight note of caution has set in: the mining index, up almost 200 per cent over the past year, topped out on Wednesday at 269.4, but the industrial index was still breaking records throughout the week, reaching 394.82 yesterday.

"There is quite a boom going on," according to one normally phlegmatic broker. "There was a little bit of a flurry," said another.

The Rhodesian Stock Exchange is a minnow by world standards, although it prides itself on being the second largest in Africa. Turnover averages less than Rh$ 500,000 (£338,000) a day, compared with Johannesburg's 10m Rand (£5.9m). Although there is a trading floor, it has not been used full-time for three years.

"We have a very gentlemanly type of arrangement," Mr. Peter Rawson, of A. W. Bradshaw, one of Rhodesia's six broking firms, said. "We meet in the morning for a call-over of prices, and again in the afternoon when the market closes. In between, we are in communication between our offices.

"There is a move to get the market open all day. Business has picked up in the last six months, so perhaps it will happen in the new year—provided we get the right sort of outcome from the election."

The Stock Exchange is something of a one-man band, as its secretary, Mr. Geoff Pooley admits. The dealing floor looks rather like a glorified schoolroom, with desks for each of the brokers facing a large green blackboard, where all the days buying and selling prices are chalked up. There are offices available for each of the brokers of the exchange ver goes back to all all-day operation. Mr. Pooley himself is responsible for everything from listing requirements, to calculating the daily indices and writing the Press reports.

Most of the recent activity has been in dual-listed shares—those quoted both in Salisbury and London or Johannesburg—suggesting a good deal of foreign interest since the lifting of sanctions by the British government. Indeed, because of the vagaries of foreign exchange control, Rhodesian shares offer British investors some very attractive yields.

Prices in Salisbury are generally about double those quoted in London. The reason is that the British investor gains from two effective discounts—first from the financial rand vis-à-vis Johannesburg and then because Salisbury in turn trades at a 50 per cent premium over South Africa.

Another source of recent London buying may have come from Rhodesian residents, according to Mr. Pooley. They have had investments on the London Stock Exchange unblocked for the first time since the unilateral declaration of independence in 1965 and the only way they can bring their money back to Rhodesia is to buy Rhodesian shares being traded in London.

Where the Rhodesian stock market goes from here is as uncertain as the rest of the Rhodesian scene. "We are waiting to see if the thing is going to work," Mr. Rawson said.

"There is a lot of fear that during the election campaign the Patriotic Front will be making all sorts of promises of nationalisation. You can expect to see the market come off on the odd spine-chilling statement that is going to be made."

In the past there has been negligible investment interest from the black community—perhaps a dozen investors all told. There are proposals for listed companies to bring their employees into the market through some form of share distribution schemes and for the unit trust sector to be more vigorously promoted.

UK NEWS

Christmas spending could set record

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

RETAILERS' HOPES of a record Christmas spending spree by consumers look likely to be achieved in spite of early fears of a gloomy level of sales.

Retailers throughout the country yesterday reported that the sales surge which started in most areas two weeks ago has continued in the past few days.

The pattern of sales, however, is more confused than in recent years. Many clothing and footwear retailers have been badly hit by a fall in demand, mainly due to the recent warm spell. In addition there is a feeling within the trade that the merchandise is over-priced and not in tune with the fashions really wanted by consumers.

A number of these retailers have been forced into offering pre-Christmas price cuts—which is virtually without precedent in the retail sector.

But other sections of the retail trade have had an above-average Christmas for sales. The Retail Consortium, which represents the bulk of the trade, said last night that it expected sales this month to achieve a 15 per cent increase in value over the buoyant sales of December last year. The December 1978, total for the retail trade was £7.8bn, and the consortium expects the December total this year to top £9bn.

Mr. Richard Weir, director of the consortium, said that he expected the volume of retail trade in December to be some 2 to 3 per cent higher than last year.

Mr. Weir suggested that the problems faced by some retailers reflected the concern among middle-class shoppers about rising costs of mortgages and bank overdrafts. This was making them more cautious in their buying habits and seeking better value for money.

This view was endorsed by the John Lewis Partnership, which has 18 department stores throughout the country. "All the evidence so far shows a very practical approach to present buying," it says. Latest figures for its department stores, up to the end of last week, show that sales were 19.1 per cent higher than in the same period last year. This was slightly above the estimated target of an 18.1 per cent increase, although the cumulative total for the past 20 weeks is only 16.6 per cent up.

But while middle-class shoppers have been worried about rising interest rates, consumers without heavy financial commitments have been boosting the sales of the more down-market multiple chains. British Homes Stores and Dixons Photographic, for example have both had a good pre-Christmas sales.

Rumbelows, the electrical goods chain with branches throughout the country, reports that sales in the past few days been above last year's. Mr. David Johnson, the company's chief executive, says that higher priced goods like video recorders, portable televisions, and television games have been selling better than anticipated in the past week or so.

Tesco, the supermarket chain, also reports record sales so far this Christmas. "All departments in our 550 stores are enjoying record sales," said Mr. Ian MacLaurin, the managing director, last night. "Last year we sold over 1m turkeys and to cope with the huge demand this year we started seling them at the Christmas promotional price as early as October."

Tesco also says that drink sales are now a substantial part of its pre-Christmas sales.

While London's West End shops have had one of their worst Christmas trading periods for many years—helped by the fall in overseas tourists this year — retailers suggest that shoppers may be turning to local shopping centres for the bulk of their purchases this year.

The greater availability of credit facilities also seems to be helping sales. Credit Data, one of the major credit reference agencies, said yesterday that the number of applications for credit checking was expected to be up to 20 per cent greater than the half-a-million checked last Christmas.

More Home News on page 18

Carpet manufacturer halves its staff after loss of £1.08m

BY RHYS DAVID, TEXTILES CORRESPONDENT

HOMFRAY, THE Halifax-based carpet maker, is to halve its workforce to 800. It announced reconstruction plans yesterday necessitated by the UK carpet industry crisis.

The company, a leading volume carpet producer, lost £1.08m before tax in the year ended September 30 on sales of £39.4m, compared with £1.05m profit on sales of £40m the previous year.

Cuts will mainly affect the group's woven carpet factory in Sowerby Bridge, where spinning and weaving units will close. Three uneconomic coloration plants at Batley will also be closed and production concentrated on new, fast rotary printing equipment, to be commissioned next March.

Mr. George Haigh, company treasurer, said last night that dem--nd had continued poor in the [illegible], and the group had lost trad..ional export markets and had excess capacity.

The losses stemmed from high sterling exchange rates and competition from cheap U.S. exports. Stocks of finished --rpets had been reduced in the --st year but selling to reluctant buyers in a difficult market ..d proved costly.

The group believes that market conditions are likely to remain difficult and predicts a further loss in the first six months of this year. All expenditure associated with severance payments and plant closures has been taken into account in the last financial year, however, and the directors hope to be operating profitably by the second half.

The group hopes that cost cuts and new plant will enable it to compete successfully in the volume end of the world market.

Capacity is not being cut and capital spending of more than £2m is in progress, including a second new polyurethane foam backing line for which several advantages over conventional latex foam are claimed.

The Sowerby Bridge closures will take Homfray further away from the woven area, which is likely in future to account for only a fifth of its output. Labour costs there were high. Mr. Haigh indicated and Homfray would continue instead to develop tufting.

The company will still make woven rugs and squares.

It expects prospects generally in UK carpets to improve from 1981, with the ending of overcapacity in the UK and a reduction in some of the U.S. producers' competitive edge.

Employment in carpets has fallen from 43,000 in 1973 to 32,000 in the middle of this year. Last month, Associated Weavers, the industry's biggest producer of tufted carpets, announced that it was phasing out production altogether with the loss of more than 1,000 jobs.

BA fuel bill hits profit forecast

By Michael Donne, Aerospace Correspondent

THE OUTLOOK for British Airways' finances in 1980 is "poor," with soaring fuel prices cutting into the airline's profit forecasts.

Mr. Roy Watts, chief executive, says in the latest issue of the airline's staff newspaper that BA has already announced the withdrawal of many of its older, less fuel-efficient aircraft and "if fuel costs continue to climb, we may have to speed up that process."

While the airline has carried a record volume of business this year—about 15 per cent ahead of last year—costs have continued to rise rapidly, and the airline still has much to do to make itself "a simpler, leaner, faster-on-our-feet organisation."

But among the bright spots of 1979 has been the Concorde, which has made "a respectable £5m surplus" on the New York route to set against losses on other routes (to Washington and Singapore).

The airline plans to start new routes in 1980. "In the Far East we shall serve Peking and Manila, and we hope to operate to Jakarta and Seoul."

Builders to pay Ronan Point bill

BUILDING CONTRACTORS Taylor Woodrow Anglian must pay damages over the Ronan Point disaster 11 years ago, a High Court judge held in London yesterday.

Four people died after a gas explosion and partial collapse of the 22-storey East London tower block flats in May, 1968.

Mr. Justice O'Connor said that Taylor Woodrow had failed in its duty to design and erect a building in which gas could be safely used. But it would not be right to find the company guilty of negligence.

In a two-hour reserved judgment, after a 41-day hearing, the judge ruled that Taylor Woodrow was in breach of contract and that the London borough of Newham was entitled to recover from the company almost all the cost of repairing the physical damage to Ronan Point and the cost of strengthening it and eight other 22-storey sister blocks of flats.

He had been asked to rule on liability only. Damages and the question of costs will be decided later.

...In the mammoth legal battle, unofficially estimated to have cost at least £250,000, Taylor Woodrow denied breach of contract and negligence, and the action was, in effect, a contest between insurers.

Mr. Justice O'Connor said that an explosion occurred in flat 90 on the 18th floor in the south-east coroner at 5.45 am on May 16. Following this all 22 storeys in that corner collapsed.

As a result of a Government inquiry Ronan Point and its eight sister blocks had to be strengthened and the court action had been brought to decide who was to pay.

Dealing with the building contract, the judge said it was an express term that the block should be piped for gas. Taylor Woodrow had a duty to design and erect a building in which gas could be safely used.

NEB's microchip subsidiary asks for £25m go-ahead

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE National Enterprise Board is expected to ask the Government soon for permission to go ahead with the second £25m stage of its INMOS microchip subsidiary.

It has already invested £25m in the project, and yesterday its reconstructed Board, under the chairmanship of Sir Arthur Knight, is understood to have decided that Sir Keith Joseph, Industry Secretary, should be asked to sanction the second tranche.

But this does not mean that the future of the project is automatically assured. The request will be received by Sir Keith at a time when the Government is preparing further public spending cuts. In addition, the Inmos project has critics at a high level in Whitehall.

As a result, Sir Keith may ask the NEB to try to find private sector partners to take over some of the future funding before he agrees to the second £25m.

INMOS is still looking for factory sites to develop in the UK, while in the U.S. it has started experimental production runs of microchips.

The NEB's new Board members yesterday also backed Sir Arthur Knight in his campaign to persuade Sir Keith Joseph to amend the Board's draft guidelines to give it more freedom from Ministerial control.

Menawhile one of the first major criticisms of Sir Keith's continued backing for the NEB to emerge from a back-bench Conservative MP since the election was delivered yesterday. Mr. Michael Grylls (MP for Surrey NW) who is a leading critic of the NEB condemned the Government for allowing the NEB to spend £220m—including £180m on BL and Rolls-Royce—since the general election.

Sharp rise in British TV sales

By Elaine Williams

SALES OF British-made colour television sets rose sharply in October, with a 40 per cent rise over the previous month.

Deliveries of U.K. colour sets totalled 136,000 in October bringing the total for the year until then to 1,047,000, according to British Radio Equipment Manufacturers Association figures.

The association says that sales are 7 per cent ahead of last year, and there is the encouraging sign that the growth in UK production of the popular small screen size means that an increasing proportion of this segment of the market is being taken up by UK manufacturers' sets.

Small black-and-white televisions are still popular. UK deliveries total 518,000 up to October, which the association says is more than 95 per cent of the 1978 total.

Imports are also running ahead of last year with 565,000 so far compared with 430,000 last year. Sales are also high —29 per cent above 1978 levels.

Agency planned to vet health service buying

BY DAVID FISHLOCK, SCIENCE EDITOR

A CENTRAL procurement agency for National Health Service purchases is to be set up in the New Year, Mr. Patrick Jenkins, Secretary of State for Health, told MPs yesterday.

He said in a Parliamentary written answer that he planned to set up a supply council as a special health authority.

The health service spends more than £1bn a year on equipment and supplies other than medicines.

The supply council will comprise 12 people of whom only three—the chairman, an official from the Department of Health and Social Security, and a representative of the health-care industry—will be drawn from outside the NHS.

It is understood that the supply council will be required from the outset to help to develop an innovative and export-orientated industry.

Caleb Brett settlement ends winding-up case

THE WINDING-UP petition of Calebb Brett and Son, th ecargo inspection subsidiary of the Esperanza trading and transport group, was dismissed in the Companies Court yesterday after the settlement of a $2.1m (nearly £1m) damages claim.

The money has been paid to the U.S.-controlled International Petroleum Refining and Supply (IPRS) after Caleb Brett lost its appeal against the claim in the Court of Appeal this week.

Previously, Esperanza said it would not go to the aid of Caleb Brett after IPRS—controlled by Hamilton Brothers Oil — had successfully sued because a 36,000 tonne oil cargo arrived in a largely solidified state in Japan nearly four years ago.

BRITONS LEAD WORLD IN LIKING CRACKERS AND THEIR BAD JOKES

Tom Smith's idea grows into a £20m snap

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THIS CHRISTMAS about 90m Christmas crackers will be pulled during the seasonal festivities — or about two crackers for every man, woman and child in the UK.

Few consumer products have as concentrated a selling — and use — period as Christmas crackers. Virtually all crackers sold are bought in the last two to three months of the year, but used only in the days spanning Christmas and the New Year.

However, the main four cracker manufacturers, whose total output is valued at almost £20m at retail prices, work all year round to meet the demand at Christmas. Since the third week in October, for example, the largest cracker manufacturer — the Norwich-based Tom Smith company—has been busy producing crackers for sale at Christmas 1980.

Tom Smith is the largest cracker manufacturer in the world and the UK is, not surprisingly, the largest market. Christmas crackers have spread to Commonwealth countries such as Canada, Australia and New Zealand and to Northern Europe, especially Denmark, but nowhere else in the world is there the same in-built tradition of pulling a paper cracker at Christmas—complete with snap, paper hat, novelty and awful joke.

Yet although the inventor of the modern Christmas cracker is generally thought to be a 19th century London baker and confectioner called Tom Smith, the origin and subsequent development of the cracker were aided by the French and Germans. In 1847, so the story goes, Tom Smith had visited Paris and noticed that the local confectionery was sold wrapped in coloured paper with the ends twisted round.

As a confectioner in London, Tom Smith usually sold sugar almonds either unwrapped or loose in a paper bag. But, copying the French idea, he began to sell the almonds wrapped in coloured paper. These wrapped sweets, often given as gifts between adults at dinner (the forerunner of the modern after-dinner mint), became a modest success for Tom Smith who was thus able to start up his own confectionery company.

The exact development of the Christmas cracker from these humble origins is shrouded in some mystery since, apart from the financial records of Tom Smith's company, few other contemporary records exist of the cracker's development. But it is clear that over the next three or four decades, up until the end of the 19th century, Tom Smith and his family slowly evolved the wrapped sweet into the cracker more or less as it is known today.

One of the first developments was to put "love mottoes," printed on small slips of paper, inside the sweet wrapping. This practice has survived to this day in the form of the agonising puns and jokes that crackers traditionally contain. The Tom Smith company has included some of the nostalgic original mottoes in its crackers this year.

Because of the limited shelf life in those days of confectionery, allied to an undoubted desire to innovate, Tom Smith experimented with wrapping other goods up in an attractive way. Little toys and novelties—and even dolls' house furniture —were wrapped up in coloured paper with a twist at each end to be given as presents. As the presents grew larger so the shape of the cracker evolved—helped by the desire to emulate a barrel-shaped Yule log.

But the cracker still lacked one essential ingredient—the "crack." The story goes that, one Christmas, Tom Smith was startled by the crackling of a log fire as he pondered new ways of selling his products, which still enjoyed only a modest success. The snap and crackle of the fire gave him the idea of providing a "snap" for his gifts.

It seems likely that the successful technology for the snap —a tiny explosion caused by pulling two pieces of treated paper apart — was imported from German firework makers towards the end of last century. The distinctive crack soon earned the wrapped gifts the term cracker.

The popularity of crackers at Christmas, apart from the fact that this was the main festive season in the year, was probably due to the fact that most crackers were still made by confectioners. During the summer months, when the warm weather posed problems for confectionery manufacturers, confectioners would switch production to crackers for Christmas.

The popularity of the new crackers soon caught on towards the end of the nineteenth century, and even became "respectable" with special designs produced by such famous companies as Josiah Wedgwood and Sons.

Stabilised

At around the turn of the century there were about 30 cracker manufacturers and development had stabilised. For the next 50 years crackers at Christmas became firmly established as part of the festivities.

But it was at the end of the Second World War, when there were still about 15 different cracker manufacturers, that the next major shift in the industry occurred. The end of rationing for confectionery meant a sharp release of pent-up demand. Since the cracker makers were still primarily confectioners, they invariably switched production capacity to meet the demand. Crackers, which were only a seasonal part of their activities, were left out in the cold.

This led to a great deal of rationalisation by cracker manufacturers, including confectioners Rowntree MacIntosh and Clark, Nicholl and Coombs taking an equal stake each in an enlarged Tom Smith cracker company which moved its headquarters from London to Norwich. Rationalisation has continued since then, until there are now only four major cracker manufacturers left.

Tom Smith has a turnover of about £5.25m, which is about half the value of manufacturers' total output of around £10m. (The addition of VAT and wholesalers' and retailers' profit margins brings the retail value of crackers up to almost £20m.)

Tom Smith also accounts for about a third of the volume of crackers produced. Its nearest rival, College crackers, also produces about a third of the volume output although its turnover is about half that of Tom Smith. This is because College concentrates more on retailers' own brand crackers, which are at the bottom end of the price range. Tom Smith produces about a third own-label crackers, with the remaining two-thirds sold through the grocery and confectioner, tobacconist and newsagent trade.

The other two main cracker makers are Hovell's and Napier who together make up the remaining third of the market.

Until about 10 years ago crackers were largely hand-produced with machinery playing only a minor role. But the growth in demand, and the need to reduce costs, led Tom Smith into mechanisation.

The first step in the process involves machine trimming the brightly coloured foil and tissue paper which will form the basic decoration of the exterior of the cracker. Other machines produce long rolls of cardboard which are then cut into small tubes.

The next stage is undertaken by hand. Each cardboard tube is filled with the cracker contents—a gift, motto, and party hats—and is placed, together with the snap, on to the outer wrapping. Care is taken to ensure gifts and mottoes are not likely to be repeated in any one box of crackers.

The outer wrapping with snap and cardboard tube then passes along a conveyor belt which processes the materials into the basic cracker. Trimmings are then placed on the crackers and they are packed and covered with shrink-film wrapping by machine.

The two most often voiced consumer complaints about crackers are that they cost too much for the standard of contents, and the jokes are so bad. The cracker makers point out that most people expect crackers to stay as cheap as they were 10 years ago, in spite of the massive increases in raw material costs, such as paper and plastics.

Top puns

A typical box of 10 crackers selling at £1.60 in the shops will, after allowing for VAT and retailer's mark-up, represent a true cost to the manufacturer of only 10p per cracker. The average value of the contents is about a third of the purchase price, although for cheaper crackers this percentage falls while at the top end (selling for over £30) the value is higher.

Tom Smith uses a panel of its management to sort through thousands of jokes it accumulates each year to identify the best 24 which are used that year. Apart from the fact that people expect bad puns in crackers, the selection of jokes and riddles has carefully to ensure that no potential customer can be offended.

Although the size of crackers in recent years has begun to shrink—inevitably because of rising costs—the largest cracker ever made (according to the Guinness Book of Records) was 45 feet long and eight feet in diameter. It was built for BBC television's Record Breakers' show on December 27, 1974.

'Clocking' move

The Motor Agents' Association and the Scottish Motor Trade Association yesterday called for the registration of all car dealers to deal with the practice of "clocking"—the tampering of mileage readings.

Cause of air crashes

The Government is to make a statement in the Commons on the publication of information about the causes of military flying accidents, Defence Under-Secretary Geoffrey Pattie said yesterday. This year 24 fixed-wing aircraft have been lost or damaged beyond repair.

Planning plea

Government proposals to allow exploratory mining without planning control will deny local authorities the power to stop large areas of surface land being stripped, the National Housing and Town Planning Council has said.

Cost of students

The cost of providing courses for the 4,300 Iranian students in higher education in this country last year was about £11.4m, Education Under Secretary Dr. Rhodes Boyson said yesterday in a Commons written reply.

Valve maker closes

NEARLY 120 jobs are to be lost in Glasgow in the closure, announced yesterday, of Weir-Pacific Valves, a Weir Group subsidiary, which makes specialist steel valves.

LABOUR

Dockers support renewed blacking

BY RAY PERMAN AND ROBIN REEVES

DOCKERS AT Newport, Gwent, yesterday agreed to the plea from Welsh miners' leaders to resume blacking of U.S. coking coal shipments destined for the British Steel Corporation's Llanwern steel works.

And the dispute could also affect British Steel's Hunterston ore terminal, opened only a month ago after a six-month inter-union argument.

The decision by Newport dockers followed approval of the miners' action at a Wales TUC meeting of all unions involved earlier in the day. It will prevent the bulk carrier "Casparia," which is due to arrive on Christmas Eve, with a cargo of 20,000 tonnes of U.S. coking coal, from being discharged.

Another 20,000 tonnes shipment, aboard the "Atreus," is scheduled to arrive shortly after Christmas.

Yesterday's move was not backed by members of the National Union of Railwaymen who operate the lock gates, who said it should be sorted out at national level. This suggests that, unlike the "Maria Lemos" three weegs ago, the ships may enter the port, though tugmen are understood to be supporting the blacking.

The miners' move follows the Government's refusal to introduce a coking coal subsidy to discourage BSC from stepping up its foreign purchases at the expense of domestically-produced coal, taking advantage of the £10 a tonne lower world market price for coking coal.

The NCB has warned that BSC's switch to imports will lead to major pit closures and redundancies in South Wales and elsewhere.

The miners' union is watching the situation at Hunterston and has been liaising with steel and dockers' unions through the Scottish TUC.

The issue is to be considered by the TUC nationalised industry committee on January 4 and by the national executive of the NUM early in the new year.

The Steel Corporation gave wide publicity to unloading of the first iron ore carrier at the terminal, on the Lower Clyde, but has made no official announcement about the terminal's use, supplying coking coal for the modernised Ravenscraig steel works at Motherwell.

One vessel, the 127,000 tonne Liberian-registered Oreo Miner, has already delivered the first imports of Australian coal to the terminal and other ships are expected early in the new year as the Steel Corporation transfer imports to Hunterston from Rothesay Dock, Glasgow, which cannot accept large bulk carriers.

British Steel claims that the use of Hunterston for coal is merely an extension of the existing policy, which has not been opposed by the NUM, but the union says that the issue of imports had to be considered on a UK scale and not regionally.

The Scottish area of the NUM has promised full support for other miners and is pressing, with South Wales and Kent, for a national conference on coal imports.

£65m pay-offs agreed for Shotton workers

BY ROBIN REEVES, WELSH CORRESPONDENT

RECORD redundancy payments totalling £65m were agreed early yesterday to bring about early closure of iron and steelmaking at the British Steel Corporation Shotton Works, Deeside, North Wales, with 6,420 redundancies.

Severance payments from £22,000 for long-service employees to £4,000 for the most recent arrivals, were agreed after 12 hours' negotiations at Shotton. The average golden handshake will be around £10,000. Some £37m of the cost will be met by BSC itself. The rest will come from Government and EEC sources.

The first 800 men are due to leave on January 19, and the rest by the end of March.

Mr. Peter Allen, BSC Welsh division managing director, hinted that several hundred more redundancies could be added to the total from among the 4,229 due to stay on in the finishing-coatings complex, recently modernised at a cost of £45m.

BSC's overall crisis package is to cut workforce by 52,000 to 100,000 in the next few months.

Yesterday's deal is based on 50 weeks' wages and 10 weeks' holiday pay to compensate for BSC's 1977 pledge to maintain steelmaking at Shotton until at least 1982.

It is in addition to normal BSC redudnancy terms, 50 per cent above the statutory requirement.

BSC conceded a union demand to maintain Shotton's hot strip rolling mill on a car-and-mantenance basis. The decision will be reviewed in a year.

The other steelworkers threatened with redundancy under the cuts are unlikely to receive as generous compensation as their plants have never been subject to notification-of-closure dates.

Settlement at Texaco

TANKER drivers and depot workers at Texaco have accepted a pay offer which the company says will increase average earnings by just over 21 per cent.

This will increase the prospects of settlements at other oil companies based on their existing offers which are broadly in line with the Texaco settlement.

Similar offers have been rejected at some companies, including Esso, where drivers are operating an overtime ban. This suggests that these companies will have to make some changes in the way they are structuring their proposals.

The Texaco offer involves an increase of 18 per cent on basic rates together with a further 2 per cent on other payments and a £150 lump sum.

Agency journalists fail in Fleet Street parity bid

MEMBERS of the National Union of Journalists employed by the Press Association—Britain's national news agency—yesterday failed in a bid to achieve pay parity with national newspaper journalists in Fleet Street.

The Central Arbitration Committee decided that the journalists' claim under schedule 11 of the 1975 Employment Act was "not well-founded." The union had contended that the average salary for a PA journalist was £7,752, compared with an average on national newspapers of between £8,350-£11,300.

In its reserved decision published yesterday the committee said the issue was whether the PA was linked with newspapers in a single section of a trade or industry. But the primary product of a news agency was the news itself, while that of a newspaper company was the newspaper.

"We think that the two products differ. The high reputation of the Press Association derives from the accuracy and impartiality of its reports," said the committee.

"A newspaper, on the other hand, is a mixture of fact and opinion, comment, advertisement and a mass of other material. It deliberately cultivates a style to appeal to a certain market."

'Scandal' says Jenkin

BY GARETH GRIFFITHS

MR. PATRICK JENKIN, Social Services Secretary, has described as "scandalous," industrial action by the Association of Scientific, Technical and Managerial Staffs in the blood transfusion and pathology services and warned there was some risk to patients' safety.

The union has imposed a strict roster working rule since November 1, slowing down the allocation of work in the emergency services. The 16,000 medical laboratory technicians involved have been asked by the union if they want to step up the action. The dispute is over increases in at home and call out allowances.

Later, he said the situation was more damaging to the National Health Service than the six-week Charing Cross hospital engineers' strike. Trade unions had protested about cuts in NHS services but all over the country cuts in service were now being imposed by laboratory staff on official union advice.

The Government had told health authorities to resist cutting other services to patients, to fund increases to the laboratory technicians.

The technicians want at home allowances on call to be increased from £3 to £10 and call out allowances from £4.55 to £7.50.

THE WEEK IN THE MARKETS

Quietly down the hill

THE EXCITEMENT generated in the stock market at the end of last week turned out to be less well grounded than had at first appeared. There was some nibbling at the long tap, Treasury 14 per cent 1998/2001, at £60½, but nothing like enough to buy out the Government Broker, who probably still holds around £500m nominal. And equities failed to find any follow-through buying, which meant that the FT 30-Share Index lost most of last week's gains on Monday alone.

One of the problems for equities was that the National Enterprise Board took advantage of the firm conditions in the market for ICL shares to place the Government's 25 per cent shareholding in that company. This netted £38m for the Exchequer, but did the market as a whole no good at all: since then it has traded quietly down towards Christmas.

Off the float

Northern Foods and Unigate, which both reported this week, are following parallel lines of development away from the milk businesses which provide their staple earnings. Both companies are trying to reduce dependence on this source—*for all the cash-generating* qualities of liquid milk, there is a little room for growth in the business once it is being run as efficiently as possible. And being squeezed, politically speaking, between farmers and consumers is not always very comfortable.

Northern is further along the road of redeployment. It has pursued an aggressive, and on the whole very successful, strategy of acquisitions. After a *flirtation with the brewery* sector, it now seems to have *settled* on cooked meat as the major interest to counterbalance milk. It has followed up the acquisition of Pork Farms in the UK with the purchase of Bluebird Inc. the biggest U.S. ham producer.

Unigate, *one stage behind*, has recently completed the sale of most of its creameries to the Milk Marketing Board. The MMB's payments so far leave £38m of net cash in Unigate's balance sheet, and the group is clearly in a position to make a major acquisition. All it has done so far is to agree to buy *the Telfers meat business which* Lyons brought into the Allied Breweries group, but this will only cost some £9m.

LONDON
ONLOOKER

Unigate is in no hurry to spend: *with a* recession approaching and interest rates at record levels, cash is a comfortable thing to hold. This week it produced interim profits up from £15.1m to £18.3m, while Northern's full-year figure emerged at £25.5m against £22.4m. In the current *year both companies could earn* about 12p a share, fully-taxed, *and both shares stand at around* 110p. Unigate's generosity with its interim dividend gives it the edge in yield terms, but the question of how it will spend its cash introduces a factor of uncertainty.

Marsh gas

This year's Christmas party at C. T. Bowring may have been tamer than most. News that Marsh and McLennan of the U.S. was contemplating a formal takeover bid for the *British insurance broking group* inspired little festive cheer on the Bowring board.

The UK company said it had "recently concluded that any *structure acceptable to Marsh* and McLennan could not be regarded as in the best interests of the shareholders of Bowring." The group's bitterness at the approach is understandable. The two companies have a business association dating from 1907 and it was Bowring *which initiated talks with Marsh* in June last year to explore the possibility of linking resources and pooling profits.

The plans were disclosed in September 1978 and caused enough of a stir in the insurance community to spawn a brood of imitators. It subsequently became clear to Bowring, however, that the U.S. broker envisaged more a controlling interest than a merger of resources and even though Bowring had taken on extra staff to accommodate the anticipated increase in business, talks broke down.

The clear opposition of the Bowring board is not the only obstacle for Marsh to overcome. The financial burden of an acquisition would be punitive, *even for a group which claims* to be the world's largest insurance broker with net profits for the first nine months of this year of $76.7m on revenues of $398.5m. The purchase would probably cost Marsh over £200m or close to half its own capitalisation. Aside from the problem of *swallowing such a large fish*, Marsh will come face to face with the *Lloyd's of London* ruling that insurance interests outside its own market should not normally hold more than 20 per cent of a Lloyd's Broker. Marsh has unsuccessfully confronted this regulation before, *in its abortive attempt to* acquire the whole of Wigham Poland. It is clear to Lloyd's, however, that alienating U.S. brokers could prove counter-productive by stimulating the growth of the fledgeling New *York Insurance Exchange*. The venerable London institution is nicely poised on the horns of a dilemma.

Out of toytown

An exhausted Richard Beecham was in high spirits this week fielding questions over the *telephone from New York about* his latest deals to extricate Dunbee-Combex-Marx from *direct involvement in the company's* burdensome U.S. activities.

For over 12 months he has *been under intense pressure to* find a way to stem the losses from the Louis Marx subsidiary, a deficit compounded by the hasty integration into the group *of the Aurora acquisition*. To date U.S. losses have probably approached £10m.

He *first announced* that the group was selling half of Louis Marx's product lines to Empire of Carolina, a U.S.-quoted toy maker which is also DCM's single biggest competitor across the North Atlantic. In return, *DCM will get a 25 per* cent equity stake in Empire and Boardroom representation.

The share offer is worth around $3.6m to DCM for which Empire *gets annual sales of* roughly $50m to double its own group turnover.

Twenty four hours later Mr. Be[illegible]m announced the second *hal[illegible] his rescue package*. The sale and distribution of Aurora's AFX road racing system and a new line of electric trains will be taken over by Leisure Dynamics Inc., another quoted toy company, while production will [illegible] carried out in DCM factories Singapore and Hong Kong.

Payment to DCM will be on a royalty basis index linked to U.S. inflation. The twin deals *should mean* that the retained Louis Marx interests in the U.S. *should now all be profitable*.

Mr. Meecham, DCM's joint managing director, admits that the company's excursion into the U.S. has been an expensive experience. *He says* there will be certain heavy write-offs in connection with the U.S. involvements but more importantly, "we have now got rid of the cancer." For shareholders, the news could not be a better Christmas present.

Nuclear blues

After 10 years of nuclear muddle, it would have taken a hardened optimist to hope that this week's Government statement on nuclear power would introduce a clear-cut policy. In spite of the announcement of a substantial 10-year building programme, the UK power plant construction industry is still in the dark over what its forward planning should be.

The Government expects a total of 15,000 megawatts of nuclear capacity to be ordered between 1982 and 1992, costing £10-£12bn. This is rather more *than one big station a year*. At the same time it announced that — given the necessary consents—the next station to be ordered would be a U.S.-style pressurised water reactor (PWR), in contrast to the British-designed advanced gas-cooled reactor (AGR), although construction of two of these will continue to go ahead.

The Government gave away *no clues as to which technology* would be specified in the main programme. The UK companies have invested heavily in AGR manufacturing capacity, and if the whole of the programme were for AGRs, the industry would be working near capacity.

If PWRs are chosen, foreign companies would obtain the orders for the guts of the reactor and the pressure vessel, leaving companies like Babcock out in the cold, although UK civil engineers and turbine manufacturers like GEC *could gain the non-nuclear* parts of the contract.

It would take at least four years and considerable investment from the UK companies to put in PWR capacity, and they are unlikely to invest without *firm contracts, while Government* cash can be ruled out in *the present political climate*.

The Government cannot argue that it is delaying its decision in order to assess how the first PWR operates. This is unlikely to be finished until the 1990s, when the 10-year programme *will be completed anyway*.

The sages . . . do they know their onions?

"TODAY'S DEPRESSED stock market apparently discounts lots of bad news. Historically, periods with stocks selling at low price earnings multiples and at discounts from book value have been the precursors of bull markets. That's what we expect over the coming three to five years."

Thus are the Wall Street sages rolling out their year end wisdom once again. The quotation here comes from the Value Line Investment Survey, one of Wall Street's most popular and influential investment guidance services, but it could have come from any of a hundred sources.

NEW YORK
IAN HARGREAVES

It is not the act of a gentleman to turn back the pages and remind ourselves what the same sages were saying a year ago or three years ago, but at the risk of spoiling everyone's Christmas it is a necessary precaution.

Value Line, again singled out because it is typical rather than exceptional, was telling its readers a year ago that stock prices were at levels comparable to past market bottoms and that "barring some unforeseen catastrophe" investors would start shortly to bring rational forces to bear on the market.

Really sticking its neck out, Value Line stoutly announced that it was standing by its forecast that the Dow Jones industrial average would probably be around 1,500 to 2,000 in the early 1980s. Although a five-year-old forecast, that the 1,500 mark would be reached by the end of the decade was, bashfully, withdrawn on Thursday when the Dow Jones closed at 843.4.

To maintain the historical perspective, it is now no less than 13 years since the Dow hit 1,000 for the first time and ever since then it has struggled to even repeat the performance, *let alone surpass it*.

In fairness to the Wall Street analysts, it must be said that the crooked focus of their forecasting lenses has been shared this year by almost every professional with an eye on the U.S. economy. Indeed, the descriptions of the economic scenario published a year ago are in many cases remarkably similar to those available in today's newspapers.

THE U.S INDICES

Our table shows the value of each index at December 29, 1978, the index at the close of business on Wednesday and the percentage change between the two.

Dow Jones Industrial Average	805.01	838.91	up 4.21
New York Stock Exchange Composite	53.62	62	up 15.63
Standard and Poors 500 Index	96.11	108.20	up 12.58
American SE Market Value Index	150.56	241.85	up 60.63
Over the Counter Composite	117.98	149.65	up 26.84

Source: Interactive Data Corporation

The U.S. economy is slowing down, interest rates will fall, the Dow will climb because investors have "looked beyond" the blip in the economy and welcome the decade of the bull. Yesterday the first figures on U.S. economic growth in the final quarter of this year suggested, to almost everyone's dismay, evidence of continued real Gross Domestic Product growth.

If it was a bad year for forecasters, 1979 was less unkind to American business. Thousands of companies turned in record earnings, although by the third quarter this growth had started a dramatic slip in key areas like the car industry.

For the oil companies it was a year of years, with huge earnings growth, a doubling of the value of their subterranean assets and a resulting hue which tinged with gold every company with oil related interests.

Even on Wall Street's blackest day this year, October 8, when the market dropped like a stone in the awake of a stiff monetary belt tightening exercise by the Federal Reserve, the shares of Exxon gained a fraction.

This is the principal reason for the disparity of the various indices shown in the table. The high flyer, the American Stock Exchange Index, has coasted to new peaks because it is composed 35 per cent of energy stocks.

The Dow, loaded down with cyclically weak performers (such as steel and car companies) and faded blue chips (IBM, which posted a succession of declining quarterly earnings figures, and Goodyear Tyre and Rubber, which has struggled with a shot-out market) found it hard to carry the burden of higher than average exposure to general market sentiment about the future of the world economy.

If oils provided the market with its only consistent boost factor they also produced the years most dramatic takeover, with the record $3.65bn Shell Belridge Oil deal. There were hundreds more smaller deal however, *especially in the fir* nine months of the year, an these provided most of the loc impetus in the market.

Other sectors, such as airlines, engineering—and more recently defence related stock had their moments of glory, bu were not between them able t overcome the overwhelming im pression that 1979 was anothe year in which the U.S. inves ment community withheld its co fidence and its money fro stocks.

At the heart of that lack o confidence was anxiety create by the spreading effects of th troubles in Iran, pressure o the U.S. dollar and resultan pressure on U.S. inflation, whic is now uncomfortably pegged i double digits *for what* mos economists regard as the fore seeable future.

But the underlying messag of any commentary on forecast must be that they are bes avoided by all except those wit a thick hide. It is even impos sible to forecast what will happ in the next seven days o stock exchanges whose activi ties will be interrupted by *seasonal festivities*.

The almanacs and gazette remind us that Wall Street ha enjoyed a Santa Claus rally in the six days sandwiched between the old and new yea on all except five occasions in the last 27 years.

Pessimists note that Santa's inclination to keep his nose out has, however, been more marked in recent times. Tw of those five missing visits were in the last three years.

The statistical significance of this unlikely bit of analysis is that on most of the occasions when *the year end rally* has failed to materialise, Wall Street has found the new year turned out to be one of strong market retreat.

So my Christmas message is: If you see Santa getting out of stocks in the next week, follow him. His forecast is likely to be as good as anyone else's.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
F.T. Ind. Ord. Index	419.6	−11.4	558.6	406.3	Absence of support
F.T. Gold Mines Index	255.6	−10.8	274.6	129.9	Fluctuating bullion price
Ashton Mining	143	+20	143	64	Diamond prospects
B.E.T. Defd.	115	+11	145	96	5% stake in Phillips' oil find
Bowring (C. T.)	126	+17	148	98	*Poss. bid from Marsh & McLennan*
BP	344	−24	406	220½	Uncertain oil price outlook
Dunbee-Combex-Marx	34	+ 7	92	25	U.S. sub's assets sold
Ferranti	405	+38	430	320	Int. figures/bid talk
Hawkins & Tipson	34	− 8	72	34	*Poor preliminary results*
ICL	463	−17	545	398	NEB stake placed at 445p
Laurence Scott	57	− 7	102	51	Bigger interim loss
Lesney	31	− 5	89	31	Adverse comment
Lonrho	84	+ 9	90	62	Lifting of Rhodesian sanctions
Monk (A.)	31	−12	78	29	Int. loss & div. omission
Negretti & Zambra	37	− 9	86	37	Increased interim deficit
Oakbridge	188	+25	190	76	*Sydney bid rumours*
Racal Elect.	187	−24	276	168½	Broker downgrades profits est.
Scottish & Newcastle	62	− 5½	77	55	Disappointing 1st-half profits
Utd. Carriers	139	+14	154	90	*Lex Service increases stake to 28%*
Zambia Copper	40	+10	54	9	Continental buying

U.K. INDICES

FINANCIAL TIMES Average week to	Dec. 21	Dec. 14	Dec. 7
Govt. Secs.	65.30	64.38	64.11
Fixed Interest	65.90	65.11	65.39
Indust. Ord.	421.3	423.6	417.5
Gold Mines	264.8	261.7	240.5
T'tl. bargains	15,753	16,861	16,661

FT ACTUARIES			
Capital Gds.	215.21	212.42	210.76
Consumer (Durable)	195.26	197.44	198.64
Cons. (Non-Durable)	206.71	207.25	208.0
Inds. Group	210.36	209.60	208.0
500-Share	249.20	250.84	250.19
Financial Gp.	182.04	179.57	174.65
All-Share	231.83	231.55	229.48
Red. Debs.	49.59	49.43	49.57

BEST AND WORST PERFORMING SECTORS IN FOUR WEEKS FROM NOVEMBER 29

	% change
Discount Houses	+ 9.4
Insurance Brokers	+ 8.3
Hire Purchase	+ 8.2
Engineering Contractors	+ 6.5
Insurance (Composite)	+ 6.5
Mining Finance	+ 6.1
All-Share Index	− 0.4
Textiles	− 4.1
Wines & Spirits	− 4.8
CONSUMER GOODS (DURABLE)	− 4.9
Toys & Games	− 7.4
Lt. Electronics, Radio, TV	− 8.3
Oils	− 9.4

M & G's Christmas cracker

BY RICHARD LAMBERT

"THE POSITION *of unitholders* in all the unit trusts managed or administered by the M & G Group is absolutely and completely protected, as is that of all individual policyholders and annuitants within all the group's assurance companies."

That was the unequivocal statement with which M & G opened its Press conference in London yesterday, and the point was made again and again in the course of the meeting. One can understand *why*.

Over the past decade, M & G has built itself into one of the most widely admired investment management organisations *inthe country. It now looks after* the best part of £1bn worth of the *public's money*. In a business which is built on confidence, the news that a substantial deficiency has turned up in one of its life assurance companies is potentially very damaging.

However, it is quite clear that the victims of this upset are the shareholders in the management company, not the unit or policy holders. The potential *deficiency, assuming the worst* possible outcome, is £7m. That would have to be provided for out of shareholders' funds, which amount to around £8m.

M and G *has already transferred* £2m of its shareholders' funds into the life fund as a step towards covering the liability. And Kleinwort Benson, the leading merchant bank, has undertaken to pay up to another £5m into the fund in *order to wipe out any remaining* deficiency. M and G has undertaken to reimburse the bank for any amount so paid.

In return, KB will take an option on shares and convertible loan stock in the management company. As a result, its *shareholding could rise from* 37½ per cent to 51 per cent.

But this will apparently make *Moreover* it would have been impractical to transfer a much bigger sum out of shareholders' funds than the £2m which has already been handed over. M and G faces big capital gains tax liabilities if it sells off its investments: in addition some of its reserves are overseas and part—*maybe* 5 per cent—is represented by gold bullion.

If the eventual provision does turn out to be much less than £7m, it would have been a very costly exercise to transfer any surplus back to shareholders' funds.

The result of all this is that M & G's *shareholders have* taken a knock, and so has the group's ego. But the group's clients need not be distracted from their Christmas frolics.

The really intriguing question, however, is whether M & G is *likely to be a lone victim*. Mr. Caldecott said yesterday that *he did not think* M & G was the only group involved in this kind of business. The group's financial year ends in September—and it first got word of trouble three months ago. Nearly all the insurance companies *have a December* year end. Some of them must *be awaiting their New Year* post trepidation.

no difference to the bank's long standing relationship with M & G. Mr. Andrew Caldecott, who is taking over as chairman of M & G and is also a vice chairman of KB, *said that the* bank "recognises that M & G's success depends on its independence. There is no question of changing what it has long *regarded as a highly successful* investment team."

Similar assurances came from Mr. [illegible]id Hopkinson, who runs t[illegible] investment management side of M & G and is the group's new managing director and deputy chairman. He said that the investment team was "totally happy" about the *future of the group in its new* shape, and that everyone was committed to staying with it.

The problem relates to a tiny part of M & G's business. Since 1968, *one of its life* assurance companies has been writing foreign life assurance business by reassuring business placed with it by a number of *independent life assurance companies* resident outside the UK. Typically, the original policies have been variations on the theme of single premium linked insurance bonds, which have been invested in one of M & G's exempt funds.

M & G had assumed that the

Mr. David Hopkinson

income and gains on this fund were tax exempt, under the rules relating to foreign life funds. Until now, the tax inspectors have dealt with it on just this basis.

But the Inland Revenue is now contesting this tax exempt status of the fund. M & G reassured the business on the *basis that it was providing* a gross sum. If the taxman has his way, it will have to be treated as a net sum. The difference between the two—taking the present value of the potential future liabilities—could be as much as £7m.

Why is the Revenue acting in this way? Mr. Caldecott suggested yesterday that "avoidance of tax was probably an objective of the policyholders" of the insurance companies involved, which were based in the *Channel Islands, Bermuda, and* the Isle of Man.

He conceded that the *Revenue's attack* could "very well have to do with a tougher attitude towards cracking down on tax evasion."

According to Mr. Roger Laker, M & G's actuary, it appears that the Revenue *suspects that UK residents* are ultimately involved in the policies concerned. Not surprisingly, the tax exempt status of a "foreign life fund" *depends on its policyholders* actually living abroad.

However, the Revenue is not building its case on any general principles. Rather, it *is pouncing on technical details* covering the precise wording of the reassurance contracts.

The final decision on this affair is expected within a *matter of months*. M & G is hopeful that any deficiency will turn out to be very much less than £7m. But since agreement has yet to be reached on a precise figure, the group has had to turn to Kleinwort Benson for its guarantees of support.

The most important reason for this is to reassure the public that a major financial institution is standing squarely behind *the unit trust group in its hour* of need. M and G concedes that otherwise there would have been "a real risk that our working capital would have looked *on the low side for a group of* our size."

. . . and a happy Old Year

DING, DONG, merrily go the Christmas bells. The cash registers, however, may be playing a less cheerful tune this time round as the world economy looks apprehensively towards 1980 prospects.

Recession is with us and has been for longer than perhaps we realise until we remember that the UK industrial index made a cheerless close to 1978 at 470.9 and is now only 419.6 while Gilt-edged stocks have *just about fought 1979* to a draw.

In sharp contrast, 1979 has been a very good year for almost all mining shareholders and not just those with gold shares who must have nearly doubled their money. *Generally* speaking, London share prices show gains, often very substantial, in all mining sectors.

The rises are all the more *striking* when it is remembered that most of the shares are overseas-registered and that the now abolished dollar premium accounted for nearly 30 per cent of the prices at end-1978. And we were so worried about the possible reduction, or the disappearance, of the premium!

Let us take a look at price movements selected at random from the various sections, leaving aside the gold mines. Of the London-registered mining finance issues **Rio Tinto-Zinc** are now 320p compared with 226p a year ago. **Selection Trust** 544p against 442p while despite its *many problems* **Charter's** shares are virtually unchanged on balance at 128p.

After reaching 482p, shares of South Africa's **De Beers** diamond giant are only modestly higher on balance at 412p *against 391p* but **Anglo American Corporation** comes out well with a price of 532p against 302p. In Australians, **Western Mining** are 168p against 139p, **MIM Holdings** *are only* 190p against 197p, but allowance must be made for the intervening one-for-four scrip issue.

Malayan Tin come out at 485p against 385p, although not all Tins have done well. In Coppers, **Messina** stand at 130p against 56p and **Zambia Copper Investments** at 40p against only 11½p. *In line with the roller-coaster price* of antimony, **Consolidated Murchison** have risen to 330p from 170p.

Shares of Canada's nickel giant, **Inco**, are level-pegging at £10¾ while the South African **Rustenburg Platinum** is priced at 183p against 94p; incidentally, both Rustenburg and **Impala** have again raised their platinum selling prices this week, to $420 from $380 per ounce.

As far as metal prices are concerned gold is $478 per troy ounce compared with only $226 at end-1978 and silver $23.40 against only $6.06 per ounce. Tin comes out at £7,560 per tonne against £6,990, lead £537 against 445, zinc £344 against £347 and free market nickel $2.90 per pound compared with $1.70.

Where then, do we go from here? For the time being there is no hurry to go anywhere and holders of mining shares can relax and enjoy their Christmas. In a fortnight's time, however, when we have entered a brave New Year, I will have some suggestions to put before you.

Gold scene

Meanwhile, I offer some comments on the gold mining scene that have been made this week by Messrs. Dennis Etheredge, Gerald Langton and George Nisbet in their chairmen's statements with the annual reports for the year to September 30 of the Orange Free State gold mines in the **Anglo American** group.

Their summing-up is that while some short-term fluctuations in the bullion price are to be expected "the outlook remains favourable."

They still see gold being preferred to paper money—which is in "widespread distrust"—and consider that while high bullion prices may have caused some decline in *industrial demand for the* metal "foreseeable supplies of newly mined gold are insufficient to meet current demand, let alone an increasing investment demand."

It is worth remembering that the good profits made by the Anglo OFS mines in the year to September 30 were based on an average gold price of only about $260. Furthermore, the rise in operating costs does not mean that they will require far greater *prices in the current year* in order to maintain the 1978-79 profit levels.

The accompanying table shows the minimum average prices that these mines will need in the current year to maintain earnings. It also shows the generous dividend yields now offered on the shares. So it does not require a great deal of imagination to realise that the gold price *would have to fall very sharply* indeed to stop the mines paying even higher dividends next year.

	Minimum gold price oz.	Dividend yield %
F.S. Geduld	$275	13
Pres. Brand	$282	12
Pres. Steyn	$290	9
Welkom	$312	16
W. Holdings	$296	18

Moving on to the major news from the mining front this week we come to the successful A$125m (£63m) bid made by Australia's **Peko-Wallsend** for the 50 per cent stake held by the Australian Government in the Ranger uranium deposit in the Northern Territory.

Peko has decided to put its 25 per cent stake plus the Government's 50 per cent into a new Australian company, Energy Resources of Australia. Shares in the latter will be offered to public investors and financial institutions in Australia. This may be the biggest public flotation undertaken there.

But not all the capital of ERA will be offered Down-Under. Up to 25 per cent of it will be offered to the Japanese, utilities which will buy the uranium oxide produced. They must, however, bring sufficient buying contracts to ensure the mine being able to operate profitably from the start.

MINING
KENNETH MARSTON

Production is scheduled to begin in 1981 at an annual rate of 3,000 tonnes of uranium oxide. The purchase guarantees are important because the general slippage that has occurred in nuclear power plant construction, partly as a result of the Three Mile Island scare, means that uranium could well be in over-supply at that time.

In South Africa, **General Mining** has come forward with the terms of its proposed bid for the remaining shares in its 51.7 per cent-owned **Union [illegible] Corporation** gold mining and industrial subsidiary. Holders of the latter are offered 80 GM shares for every 100 UC.

The UC holders will still qualify for their company's final dividend for 1979 which is *expected to be not less than* 41 cents (22.5p). They will not qualify for the rights issue which is to be made by GM next April if the UC take-over goes through. GM is to offer 30 shares at a price of 1,500 cents (825p) for every 100 shares held.

The offer for UC makes a good deal of sense in that it will create an even more powerful GM—now second only to Anglo American in South Africa—and put it in a position to take greater advantage of mining and industrial opportunities. Whether these opportunities include the much-mooted takeover of **Consolidated Gold** *Fields is a question that is* carefully not answered.

UC holders may find the terms of the offer not over-generous; *the market had been* hoping for a one-for-one share deal. But they could be better off in the long run by sharing the fortunes of this big and vigorous mining, finance and industrial group.

London holders of GM may consider the latter's rights offer worth taking up, especially if it turns out that they will be allowed to use "cheap" financial rands to do so. This currency *currently stands at a discount of* some 26 per cent on the country's commercial rand whereas dividends are paid in the latter currency.

Good news has come from the other mining finance houses. South Africa's **Johannesburg Consolidated** has announced that it is to raise its dividend to 100 cents (55p) for the current year to next June. Although the increase has been made partly to reduce the disparity in size between the interim and final payments, "Johnnies" says that it also reflects "much improved results."

Consolidated Gold Fields and America's **Phelps Dodge** have proposed the start of production at their 51 per cent to 49 per cent owned Black Mountain base-metal mine in South Africa's remote north-western Cape. Its cost is expected to be R170m (£93m) compared with the R181m anticipated in 1977, an achievement in these inflationary times.

Furthermore, the newcomer stands to be more profitable if metal prices hold their improved levels. In 1977 it was reckoned that Black Mountain would make about R50m a year in terms of its sales contracts. The higher metal prices have raised this expectation to about R110m. Thus there is the hope that dividends will start to flow considerably sooner than the earlier expectation of about six years from the start of production.

Coming nearer to home one of the long-term favourites of this column, **Selection Trust**, has a stake in what may be a commercial gas discovery in the North Sea. The find has been made by the **Noordwinning** and **Amoco** groups on Block K/16 which is immediately to the north of K/13 Block producing gas fields.

Selection Trust has a 3.7 per cent interest in the North Sea project through its 9.25 per cent participation in the Noordwinning Group. Further evaluation is to be carried out on the latest find but whatever the outcome, Selection Trust remains a stock to hold for the decade.

YOUR SAVINGS AND INVESTMENTS

Tim Dickson reviews the prospects for 1.8m unit-holders faced with higher charges

Up, but not to the sky

AN IMPORTANT new chapter in unit trust history opened this week with the news that Britain's 1,800,000 unit holders *face higher management* charges in the New Year.

The announcement that fees will no longer be controlled by the Department of Trade in theory means that the sky's the limit—unit trust groups can now charge exactly what they like for their investment expertise.

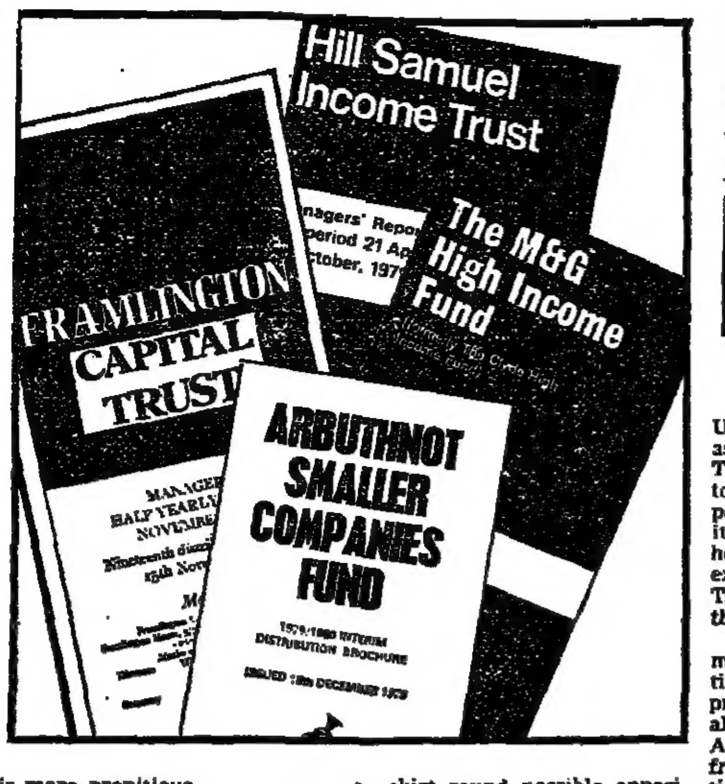
In practice, however, the position is considerably more complicated and charges seem *likely to creep up slowly and* unevenly.

Under a Department of Trade *formula which was introduced* more than 20 years ago, managers have effectively been allowed to levy either a 5 per cent initial charge on the sum invested plus a ¾ per cent annual charge, or a 3¼ per cent *initial charge and a ½ per cent* annual charge. Where we go from there remains to be seen but the general feeling seems to be that while most initial charges will probably be bumped up to 5 per cent, the *annual levy is unlikely in most* cases to go beyond ¾ per cent and even this rise will now depend upon the approval of unit-holders.

For one thing, the realities of the market will ensure that few *groups stick their necks out and* break away from the pack. Unit trusts have had a terrible year—sales have been disappointing while more alarmingly the level of cashing-in has been consistently high—and this has meant even fiercer competition for the available business. Although managers point out that charges in the UK are low by international standards, it is easier to have this conviction than the courage to act upon it and risk alienating potential unitholders.

An even greater restraint for *unit trust managers, however,* could be their own investors. Unitholders in existing funds will have to approve any proposed alterations to charges in trust deeds and this could well prove difficult.

It is not human nature to vote other people more money than you have to. And while managers will no doubt present a compelling case at unitholder meetings this will ring a bit hollow if performance has been *poor. Funds which have per*formed impressively during 1979 could well be the first to make a move with the laggards perhaps waiting until the time is more propitious.



Unitholders are unlikely to hear anything before the New Year—if for no other reason because their managers now have something special to cele*brate over Christmas. But come* the first few months of 1980 there will doubtless be plenty of action.

Mr. Cholmeley Messer, chairman of the Unit Trust Association, believes most groups will probably be moderate in their charge increases. Welcoming the removal of restrictions he said that decontrol "has ensured that the unit trust industry will continue to be able to cater for small investors.

"In recent years," he added, "rapidly rising administrative costs were making the small *account increasingly uneconomic* to manage and managers were being forced to raise minimum investment levels."

Miss Audrey Head, managing director of Hill Samuel Unit Trust Managers, reflects the *views of many other groups* when she says, "Raising charges is something we will not rush into. In due course, however, I think we will increase the initial charge on all our trusts to five per cent."

Intial charges, do not affect existing unitholders and proposed increases will therefore go through unopposed. There is a danger, however, that in order to skirt round possible opposition to annual increases, management groups could simply launch new funds.

In this case, the distinction between a fund launched to fill a genuine gap in the group's range and a fund launched solely to bring in extra manage*ment income could become* dangerously blurred.

Mr. Messer accepts that this could conceivably happen, but he argues that it is very unlikely. "After all," he says, "groups will still have to satisfy the Department of Trade which can always turn down a new trust deed."

While deeds in future will continue to provide for both an initial charge and an annual charge, managers are now *allowed to dispense with either.* This could pave the way for what in the U.S. are known as "no load funds," where there is a slightly higher than average annual levy to compensate for the absence of a front *end charge.* It will, however, be surprising if this idea catches on.

Deeds in future may also provide for a ceiling charge, where the actual charge is lower. Subsequent changes up *to the ceiling charge would not* necessarily need the approval of unitholders, although at least three months' notice would have to be given.

Mr. Cholmeley Messer

In return for decontrol the Unit Trust Association has assured the Department of *Trade that it will not attempt* to replace the Department's powers by any price fixing of its own. As had been widely hoped, the unit trust industry's exemption from the Restrictive Trade Practices legislation will *therefore continue.*

This is important because it means that the UTA can effectively dictate which qualified professional intermediaries are allowed to receive commission. As such it protects the investor *from unqualified agents. Exemp*tion also allows the UTA to recommend the size of commission.

Finally, how do unit trusts compare with investment trusts? Stockbrokers Wood Mackenzie have just produced some figures which show that the average management charge as a percentage of investment trust assets (size weighted) in the year to the end of October was 0.33 per cent. Adjusting for the stock market movement of assets over the period this represents a 10 per cent *increase on the average charge* of 0.28 per cent at June 1978.

According to Mr. Hamish Buchan, partner in Wood Mackenzie, a typical investment trust management charge is between 0.25 and 0.4 per cent of assets, though a *few specialist* trusts charge as much as 1-2 per cent.

While investment trusts on the whole appear to be cheaper than unit trusts, they are of course generally much bigger and should therefore be able to achieve economies of scale.

Management charges are an *emotive subject for managers* and investors. Perhaps it is as well to remember that the most important factor is good performance—who cares if the manager does well for himself if at the same time he has also done well for you?

House shares for children

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Referring to your reply under "House shares for children" November 24, my wife and I want to transfer our jointly held residence to our daughter *without involving her with* capital gains tax. If we leave it by will she will have to pay capital transfer tax. Our solicitors do not seem to be able to make any helpful suggestions. Can you advise, please?

As the transfer would be of your principal residence capital gains tax should not be chargeable. However capital transfer tax (which replaced death *duties) would be chargeable* unless you can effect transfers of part interests not exceeding £2,000 in value from time to time. You can invite your solicitors to consider effecting this by means of declaring the trust for sale which already exists in your case to consist of a large number of shares, for example 1,000, so that some shares amounting to less than the appropriate value can be assigned in any one year. It should be stressed that this system has not been tested in the courts and, while it is thought to be effective, it could be held not to be.

Use of right of way

I refer to your reply of November 16 under "Use of Right of Way." I am one of three house owners who have in our deeds a vehicular right of way over the road (also a public footpath) leading to our three houses. The owner of a field which borders the road opposite my house has opened his boundary fence to allow residents of four flats in an adjoining road *to park their cars on a part* of the field. To gain access to the field they must drive along our road. The owner of the road cannot now be traced. Is there any way we can prevent the flat residents *using the road (otherwise* than on foot)? What is meant by the "dominant owner"?

The persons who have been granted the right of way over the road are the dominant owners. They cannot prevent the flat residents from using the road unless that use obstructs their own use of the road. Unless the owner of the road (the servient owner) can be traced nothing can be done to restrict the flat residents' use of the way.

Fixing of aliment

My wife recently left the marital home in Scotland taking our two children with her. The children are 13 and 16 years old. I propose to give financial support for the children *only, and for as long as they* remain at school. Could you please advise me of what would be a fair and reasonable payment, satisfactory to a court of law? My gross salary is approximately *£5,200 per annum.*

A father's obligation to aliment *his children only subsists up to the time that the child remains* under 16 years of age. Accordingly you are under no legal obligation to aliment one of your children.

You do not specify the circumstances in which your *wife left home but even if she* was entirely to blame for the breakdown of the marriage you remain under a legal obligation to aliment her as well as your youngest child, while the marriage subsists.

In fixing interim aliment, the Court has regard to the husband's gross salary as opposed to net salary and your gross salary is approximately £100 per week. At an interim *stage a Court would be likely* to make an award totalling in cumulo about one-third of your gross salary and accordingly the sum of £15 per week for your child and £15 per week for your wife are the sort of figures that might be awarded should consistorical litigation be commenced.

No entitlement to premium

As a non-resident on both occasions, I bought some Calcutta Electricity Supply ordinary shares on the London Stock Exchange on January 4, *1973 and sold them on March 8,* 1979 at a realised ex-premium price of 55p each. Was it right for the premium to be deducted from the sale price?

The company whose shares you have purchased and sold is pre*sumably not a UK company.* You state that you were non resident at the time of both the purchase and sale. Presumably *you mean non-resident* for Exchange Control purposes. If this is the case, then you would have no liability to pay the investment currency premium on the purchase of shares and will not be entitled to receive the premium on the sale of them.

Life interest buy

My late mother had a life interest in her sister's estate and on my mother's death, this fund went out of the family. We are now called upon to *pay a substantial sum in capital* transfer tax in respect of this money and solicitors and accountants involved are giving conflicting reports. Can I appeal the matter?

There is no question that *settled property* is taxable on death, in a general way. There could only be a question of appeal on a point of law, if the settlement was of a very peculiar nature and that is a matter on which it is for your *solicitor to advise.*

Self-employed pension scheme

With reference to a self-employed pension scheme, with profits and monthly instalments, is it permissible to increase instalments of premiums in excess of 15 per cent of net relevant earnings? If so, in view of the favourable treatment of pension funds, could it be recommended in the case of an individual aged 57? (Standard rate tax applies.) Can you quote the section of the Act which covers my first point please?

The limit on self-employed pension contributions introduced by the 1971 Finance Act (as amended) is 15 per cent of net relevant earnings with an over*riding limit of £3,000 in one tax* year. If you pay more than this amount in a given fiscal year, there are carry-forward provisions which would enable you to claim relief on any excess payments should you fail to use up *your relief entitlement in the* nuext fiscal year.

However, you say you are 57 and you are presumably attempting to set aside the maximum possible sum each year up to retirement. If you expect to set aside substantially more than 15 per cent over a number of years, you should consider supplementing your self-employed policy with a Unit-linked Savings Plan or Endowment Policy (according to your preference). As you are a standard rate tax payer, you get 30 per cent relief on your self-employed policy but you will get 17.5 per cent relief on your *individual life policy.* You should effect your policy to mature when you are 67 (minimum 10 years) but if you retire at 65, then he policy can be made paid up at 65. Although tax relief on premiums is not *as good as under the self-*employed policy and although the investment income is subject to the insurance company's rate of tax (as opposed to being tax exempt), many insurance companies in fact pay very little *tax and this is reflected in their* bonuses for with-profit policy holders. However, when you come to draw your benefits, these disadvantages are off-set by the fact that the ordinary life policy provides you with a tax free capital sum. If you use this to buy an annuity, you only pay tax on the *notional investment* content of that annuity as opposed to tax PAYE on that part of the self-employed retirement annuity that has to be taken in pension form and not cash.

Overall a judicious combination of a self-employed retirement annuity and an individual endowment or unit-linked policy from an insurance company with a good track record for 10-year policies is the most tax efficient way to save for any self-employed person within sight of *retirement and an income sur*plus to immediate requirements. The only way to improve on this formula would be to turn yourself into a company and set up your own directors' pension plan. However, as you say you *are only paying standard rate* of tax, your income from self-employment may be insufficient to justify such a course of action.

Gold and oil by the back door

THE CHRISTMAS card from Amex Bank this year makes most investment strategies look a little lame. It shows that if an investor had put $100 into gold at the beginning of this decade *it would today be worth* $1,023.

If he had chosen to invest the sum *in crude oil* it could today be sold for $1,411. He needed to make his investment worth $203 to keep up with U.S. inflation.

There are bonds, now available to the British investor, whose capital values are geared to these formidable commodities. The French "Giscard" and "Pinay" bonds are linked to Gold and the Mexican Oil Linked Bonds, the Petrobonds, are linked to the price of Mexican *crude.*

Both categories have been the object of avid investor interest for some time, so there are no quick and easy gains to be made on them—unless the prices of the underlying commodities continue to move upwards.

Four issues of Mexican petrobonds have been launched, with the first taking *place* in April 1977 and the most recent just over a week ago. The essential features of all these bonds are that they bear a coupon of 10 per cent, mature after three years, and are redeemed at a price linked to the price of Mexican oil.

For instance, in the first two tranches, the redemption value will be increased by the rise in value of oil bought at the time of issue as judged *by the price for which that oil* could be sold during the first 25 days in the April preceding maturity, *less* the interest paid over the life of the bond.

Thus the pesos oil price must rise by more than 30 per cent for a bonus payout to occur. Whatever happens the Mexican Government guarantees to re*deem at not less than par.*

I have described the first two tranches because, according to *both Phillips and Drew* and Strauss Turnbull, it is the second tranche which appears to offer the best value at the moment. The first matures very soon.

The third and fourth are already discounting further large rises in the price of oil: the third, for instance, was *priced on Thursday night at 128* per cent where an oil price of $30 per barrel would give it a redemption price of 104 per cent.

The second series, which matures in April 1981, had a price on Thursday night of 198 per cent and will be redeemed at 196 per cent if oil holds a price of $30 a barrel.

Assuming the price has gone beyond the 30 per cent "trigger," the value of the bond varies with the dollar oil price. The British investor has therefore to take a view on the dollar exchange rate, the dollar price of oil, and the credibility of the Mexican Government. Both the brokers already mentioned will help anyone interested.

The graph shows the rocket-like ascent of the price of the "Pinay" bond — so-called after the French Finance Minister who introduced it. Together with the "Giscard," its more modern equivalent, it is one of the most *heavily traded securi*ties in France.

INVESTMENT

NICHOLAS COLCHESTER

The "Pinay" with a coupon (of academic value) of 4½ per cent on its par value of FFr 100 now costs FFr 1550 (£172) per unit—the minimum purchasable amount. The *redemption price* is linked directly to the rise in the price of FFr 20 Gold Napoleon, the favourite French way of investing in gold. The price now is at a premium of 2.7 per cent over the current *redemption value of FFr 1521.1,* and the Napoleon itself is at a premium over its intrinsic gold *content of some 47 per cent.*

In theoretical terms, therefore, the "Pinay" does not look a cheap way into gold. Its advantages are that it can be bought on margin (20 per cent down) in the French market, it is purchasable in small amounts, and *it is reasonably certain that the* Government will honour the redemption terms because the bond is being continually redeemed via a sinking fund and has very widespread ownership. Its recent performance shows it to be a *good vehicle for a* "flutter" on gold.

The 7 per cent 1988 Giscard is very different in character. Its market price is now FFr 5.975 compared with a par value of FFr 1,000. This makes it a *major purchase for a small in*vestor. Its redemption value is linked rather complicatedly to the price of gold and, interestingly, its market price now represents a discount on its gold value of some 40 per cent.

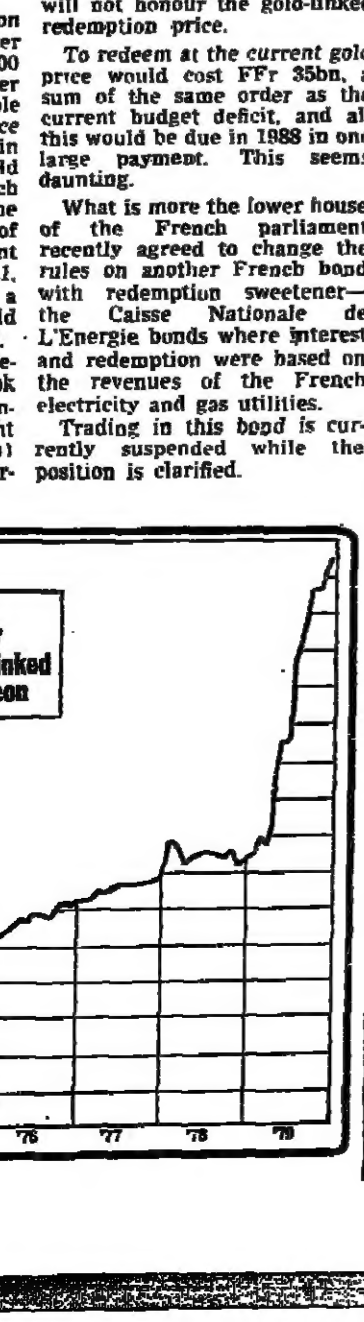
In the light of the Pinay's premium and the small premium over gold which the "Giscard" *itself* was exhibiting in May this year, the discount needs some explaining.

One factor is that French investing institutions are very *heavily invested in the Giscard* and they have recently begun to *emerge as net sellers,* wishing to pin down their already handsome gains. But lurking behind this strategy is mounting suspicion that the Government will not honour the gold-linked redemption price.

To redeem at *the current gold* price would cost FFr 35bn, a sum of the same order as the current budget deficit, and all this would be due in 1988 in one large payment. This seems daunting.

What is more the lower house of the French parliament recently agreed to change the rules on another French bond with redemption sweetener—the Caisse Nationale de L'Energie bonds where interest and redemption were based on the revenues of the French electricity and gas utilities.

Trading in this bond is currently suspended while the position is clarified.



What the wise men say

There is a growing theory that the price of gold is now determined largely by the price of oil.

The argument is of obvious appeal to gold bulls. With the gold price up within a whisker of $500 this year, the search is on for a new momentum to take it through the barrier.

Establishing the ratio between gold and oil prices is complicated by the wide spread not only between OPEC and spot oil rates but within OPEC *itself. One ratio widely applied* is one ounce of gold equals between 17 and 20 barrels of oil, *which given guesses of $45 oil* in a couple of years time, points towards $900 gold.

An important plank of the theory is that the oil producers have seen their external investments depreciate over the past decade, and will consequently channel a high proportion of future revenue into gold.

GOLD

ROBERT COTTRELL

But "where there is a tip there is a tap," as the wise old saying goes, and in this case the tap *could be the nervous holders* of a lot of high-priced gold looking to unload it in a climate of false optimism. A depressed gold price, perhaps in the wake of a major government sale, would not, after all, bring the price of oil down.

Crucial to establishing the gold-oil link would be an acceptance of it by oil producers as well as gold buyers. The result would be a leap-frogging upwards of gold and oil prices to the benefit of the *lucky gold holder,* but the detriment of almost everybody else. Which suggests that, if such a *link achieved widespread recog*nition, a great deal of muscle would immediately come into play to break it.

Rhodesia watchers wait

THE 12 Southern Rhodesia bonds quoted on the London Stock Exchange have provided one of the most successful "punts" for investors during 1979. Since UDI in 1965 the stocks have bobbed up and down as successive settlement attempts have come and gone—one jobber remembers selling 2½ per cent 1965/70 for as little as £17 — but today 10 of the 12 are standing well above their par value of £100.

The 2½ per cent 1965-70, which is one of the most actively traded stocks, was changing hands this week at a middle price of around £112 and £115, against £70 in April (well before the Thatcher/Carrington initiative gathered momentum).

Since the announcement of all party agreement this week and even since the earlier departure of Lord Soames for Salisbury, there has been little movement in the price of these bonds. Perversely, in fact, posi*tive developments have been* greeted by some modest selling. Most of the financial good news of the settlement had been discounted several weeks ago, though as Mr. Roger Abraham, a partner at Simon and Coates and a keen Rhodesia watcher points out, this week's developments give an underlying strength to present bond levels.

None of the 12 bonds has yielded a penny over the past 14 years and in more than half the cases they have passed the redemption dates without any repayment of capital being made. The reason *they are* mostly riding above par is because hopes are high that a new administration will quickly wish to repay the overdue capital and interest arrears on its overseas debt. By repaying this debt a new Government will more easily be able to tap overseas capital markets.

The questions which remain for the 15,000 UK Rhodesian bond holders are, how and how quickly will *the money* be paid out, and secondly whether compensation will be added to the overdue capital and interest arrears. *After all, so the argu*ment goes, Rhodesia has for some years effectively enjoyed the benefit of much of this capital free of interest.

On both points there is still considerable uncertainty. The Foreign Office, which is supervising the interim administration under Lord Soames, will *not elaborate on its bland state*ment last week that "the question of Rhodesia pre-UDI debt will be reviewed with the authorities in Salisbury."

Whether this means Lord Soames or the Government which comes to power after the March elections is not yet clear to the Council of Foreign Bondholders, the body which will conduct negotiations on behalf of the Rhodesian bondholders. "We are not yet sure whether anything can be done before the elections," its spokesman said.

Many observers, however, feel that progress is unlikely to be made until the political situation becomes clearer.

Compensation for loss of interest after maturity is the other unknown quantity. At current market prices there is very little riding on this—for example the 2½ per cent 1965-70 stock is worth £111½-112½ on *interest arrears and overdue* capital alone, against a market price of £115.

Although it is unwilling to prejudice talks by giving any indication of its opening bid, the Council of Foreign Bondholders *clearly hopes compensation will* emerge from the negotiations.

At the last count the council says that £47.5m of Rhodesian debt had not been receiving any service.

The new Salisbury administra*tion obviously has much on its* plate besides the anxieties of Rhodesian bondholders. For this reason there are not likely to be any major short term developments.

TIM DICKSON

Season of gifts for the burglar

THE WINTER crime season is with us—and the long Christmas-New Year holiday season this year seems likely to provide criminals all over the country with plenty of opportunity of rich pickings from temporarily unoccupied homes.

One sign of the times is the increasing number of people who have installed burglar alarms—as witness the alarm boxes fixed high, but not necessarily inaccessibly high, on house walls.

My guess is that most of these alarms have been put in not at insurers' insistence (because insurers seldom require the installation of an alarm in the home as a condition of cover) but because the householders *have succumbed to the blandish*ments of burglar alarm salesmen, who are concentrating on the provision of domestic burglar alarms.

Scarcely a month goes by but I get a letter from some self-styled "security" firm. Knowing just a little about security firms has helped me to consign *virtually all these documents to* the dustbin, for only one of the firms concerned has been a *member of the National Super*visory Council for Intruder Alarms.

This body lays down standards for the screening and training of employees, specifies codes of practice, and supervises *the competence of security firms* through its own inspectorate. It was set up in 1971—and the British Insurance Association nominates five members of its board, this because insurers have such a substantial interest in the establishment and maintenance of high standards of security.

The latest list of NSCIA "approved installers" lists well *over 100 firms of all sizes,* some local, others national, so there should be a NSCIA member within reasonable distance.

Anyone contemplating the installation of an alarm does well to check on NSCIA membership *early on in any negotiations*—in the event of doubt the secretary of the association can be *reached* at St. Ives House, St. Ives Road, Maidenhead, Berkshire.

But to save his time, a telephone call to one's home insurers should be just as effective. They should have the NSCIA list available and also give information on the competence and efficiency of security *firms in the locality.*

What insurers are most unlikely to do is to positively *recommend one firm.* Usually they will offer the names of two or three, leaving the choice to the policyholder. This way, insurers hope to avoid even the *few recriminations that may* stem from what might otherwise be regarded as virtual direction, particularly should that firm then fail to come up to the standard expected by the customer.

INSURANCE

JOHN PHILIP

In any event, choice of installer is worthwhile because different companies have different prices and in the alarm company's bill there will normally be two components—the cost of the work and installation materials and the charge for regular maintenance.

I make these comments for those thinking of installing an alarm, but I must add words *of warning to anyone who thinks* to save money by a do-it-yourself job. There are quite a *number of alarm kits about*—I'm afraid I do not recommend them to anyone other than the expert electrician—and even he must examine the nature and quality of the equipment.

The householder who buys a kit and instals it himself, has only himself to blame if the alarm fails to work in time of need.

Rates for the insurance of home contents are now more variable than ever before. Most insurers look for at least 30p in the pound even in the *quietest parts of the country*—for high crime risk areas of the Home Counties 50p or more can be required. And for flats in central London it can be 75p or even £1.

But the voluntary installation of a burglar alarm is not *likely* to influence rating other than in the most exceptional cases—for example, where insurers have required special premium because of the claims history of the particular risk.

For the average owner the voluntary installation of a burglar alarm can obviously give some peace of mind. It will seldom bring any tangible premium benefit in its train.

This is partly because the majority of insurers remain un*convinced that an alarm in the* average home really does diminish the risk of theft. There are too many ways into the average home for an alarm to provide all round protection, too many reasons why it may *not on occasion be set, why it* may be inadvertently triggered by children, pets, even by normally careful adults.

There are differences of opinion also as to the effect of an alarm box on the house wall. Some say this deters the small time criminal—and they may be right—but others say that it attracts his bigtime cousin by advertising the potential loot.

There is no easy solution, except perhaps this—that if you are going so to advertise, it is best the advertisement should be of a tried, tested and approved installation.

PROPERTY

Oysters and venison

BY JUNE FIELD

EAST ANGLIA has been called a countryside of wild patches and secret places, and *The Shell Guide To England* describes Essex, the first part of the region, as "grossly undervalued as a county to explore."

Delights include Colchester natives from the Brightlingsea oyster beds, and venison from the county's forests. And once they produced saffron in Saffron Walden. For commuters there is the choice of fast trains from Brentwood and Shenfield to the centre of London, some 25 miles away, with the M25 within easy reach.

Sworders, 13, King Street, Saffron Walden, reports that they have very few what they refer to as "expensive properties" available at the present time. An interesting commercial project is Sparrows End Farm, Newport, an attractive village about two miles from Saffron Walden.

In the region of £85,000 is being invited for the three-bedroom house with its long frontage to the River Cam, and nine acres in which a market garden business has been run for some years.

The firm's *Bishop Stortford* office has Orford House, Ugley, *Hertfordshire, in eight acres,* for sale at £250,000. It is an *elegant eight-bedroomed period* house believed originally to have been given to the *Orford* family by Elizabeth I. There is a *chauffeur's* cottage, stabling, loose boxes and tack room, *as well as a granary, dairy,* and remains of a large timber barn.

Mr. Bruce Monro, partner in Sworders, has produced a useful and practical book, *English Houses*, illustrating the building materials and designs used in North Essex and East Anglia, although some of the features are common to property in other parts of Britain.

As Mr. Monro points out, houses disclose the taste of those *who built,* owned and lived in them: "And a large proportion *of houses in this country* are a hotpotch of many periods; even the *original buildings which* seem of a piece may have been built in *several stages, with* succeeding generations creating *their own particular features."*

For instance, The Priory, Thaxted, illustrates how confused a style can become over the years. A 15th-century house, it was re-fronted in the 18th century, and then again in the 1930s, when the balcony was added, bay windows taken out and replaced with bow windows. The eaves, cornice and 18th-century door cases remain. The book is £5.50 post free from George Kirton, Estates Gazette, 151, Wardour Street, *London*, W1.

A glossary of building decoration is also given, from pargetting (ornamental plasterwork on the exterior of a building), to scumbling (where the plaster is pitted with a pointed stick), as well as sketches of such basics as roof and window types. The designs and processes are *then brought to life with* contemporary photographs of local *houses*.

Of higher-bracket property generally, Mr. John Gibson, partner in Savills of Chelmsford and Colchester says: "In spite of the general gloom, the market here still seems buoyant. In addition to numerous smaller properties, we launched about *12 major* properties with full publicity in our recent market*ing offensive.*

"These ranged in price from £55,000 to in excess of *£200,000,* and we now have offers on all of them with the exception of one.

"There are, however, a number of trends which prevent me from being too optimistic. For instance, we have seen more and more houses come on the market since August than in any similar period I can remember.

"In the spring and early summer," he said, "it was not unusual for 40 people to view a medium-priced house in a two-week period. The figures had dropped considerably, and while it still seemed relatively easy to get offers on almost any house, obtaining a contract was becoming more and more difficult.

Mr. Gibson said the mortgage famine did not seem to have affected the type of property his company sold, there were problems further down the chain.

"*The fact* that banks have been told to cut money-supply has meant they are giving virtually no open-ended bridging loans," he said.

"But in order to keep the market moving smoothly I consider that there *are occasions* when a buyer has to have a *bridging loan.*

"Many sales were falling through. The reasons for vendors and purchasers withdrawing ranged from the more usual one of a bad survey' to those totally unrelated to the property at all—'all very frustrating for the poor old agent!'"

A particularly interesting conversion undertaking, near the Brentford golf course, is the 18th century Palladian mansion Thorndon Hall, which is being converted into 80 luxury flats by Thomas Bates and Son.

Described by B. W. Collier in his *History of Essex* (1861), as "one of the elegant creations of our time," Lord Petre's original house was burnt out 17 years later, but the handsome external appearance remains largely unchanged.

The first five apartments to be released range from £46,000 to £110,000 for a 125-year lease according to size. One apartment with fine lofty windows has a spiral staircase to a separate bedroom suite, another a parapetted terrace: "Cottages" will be converted from the stable block.

Details and illustrated brochure from John Gibson, Savills, 136 London Road, Chelmsford (0245 69311).

Savills usually has a selection of picturesque country cottages on offer. For instance, Beam Ends is a long low 16th century thatched property beside a quiet country lane about a mile west of the village of Pleshey, for sale at £49,000.

The thatched and timber-framed Turnberry Cottage, Bacon End, Great Canfield is on offer for £77,500, while Cromwells, Cock Green, Felstead, one half of a 17th century farmhouse, could be bought for £49,000.

Six apartments have been made out of the early 18th century country house, Huskards, in the village of Fryerning, a mile from Ingatestone, 7 miles from Chelmsford. They are being sold on 99-year leases at prices from £28,000 to £80,000.

Details: Mr. D. R. Hughes, Strutt and Parker, Tindal House, Tindal Square, Chelmsford (0245 84684).

The rise in minimum lending rate did not deter four would-be purchasers from bidding for Fryerning Rectory, an imposing Georgian house set in beautiful grounds on the edge of the village. The packed auction room the other week saw the bidding commence at £50,000 rising swiftly to the sale figure of £109,000.

The property, which was sold on behalf of the Church Commissioners, requires extensive renovation estimated at between £30,000 and £40,000.

"The sale emphasises the market trend that particular houses, due to their outstanding location, potential for improvement or architectural features, will sell readily in a difficult market," said Mr. Hughes, who, acting jointly with Hilbery Chaplin, sold the house.

Eighteenth century Turnberry Cottage, Bacon End, Great Canfield, thatched and timber-framed, has four bedrooms and two bathrooms. Offers in the region of £77,500 through John Gibson, Savills, 136 London Road, Chelmsford, Essex.

Oaklands, Norton Heath, Ingatestone, Essex, five-bedroom 19th century country house in about eight acres is for sale at around £95,000 through Savills, 136 London Road, Chelmsford, in conjunction with F. H. Worley.

The eight-bedroom Orford House, Ugley, Bishop's Stortford, *Hertfordshire, in eight acres, with chauffeur's cottage, stabling and remains of a large Essex barn,* is £250,000. Details R. T. N. Ward-Booth, Sworders, Chequers, 19 *North Street, Bishop's Stortford* (0279 52441).

Non-events pay

COINS

JAMES MACKAY

A FEW YEARS ago, when I was touring the South Island of New Zealand, I came across crown-sized silver medallions on *sale in Christchurch* to boost the funds of the Canterbury provincial museum. *The medals* had been issued in 1972 ostensibly celebrating the 75th anniversary of Queen Victoria's Diamond Jubilee. While I was suitably touched by the depth of imperial sentiment for the Great White Queen, native canniness held me back from making a purchase. The anniversary of an anniversary *seemed a* non-event if ever there was one and, as such, *was hardly likely* to boost the investment potential of the piece. *As this medal retailed* for about £3 and contained about *an ounce of the* fine silver, however, it would now have a melt *value of around £9* —offering a reasonable return on the *original outlay,* even allowing for the inflation of the intervening period.

I was forcibly reminded of this incident last week on receiving from the Royal Mint intimation of their latest issue, a set of three coins celebrating the 10th anniversary of the Investiture of the Prince of Wales. As a landmark in the career of the young Prince of Wales, the Investiture was doubtless an important occasion but to commemorate its tenth anniversary is, to my way of thinking, analogous to someone celebrating the 10th anniversary of their 21st birthday.

Admittedly there have been some useful precedents in recent years. The silver Wedding of the Queen and Prince Philip was worthily celebrated by a number of coins, including a British silver proof which has turned out to be one of the more desirable coins of the decade. The Silver Jubilee was a major event in its own right, but the 25th anniversary of the coronation the following year smacked of artificiality. Nevertheless, it gave souvenir manufacturers a second bite at the Jubilee cherry and those coins issued for the occasion have done remakably well.

I suspect that the mints and numismatic bureaux of the Commonwealth, appreciating the keen public interest in any coins portraying the Prince of Wales, have become a trifle impatient waiting for a truly legitimate pretext, such as a Royal Wedding, and have fallen back on rather dubious anniversaries.

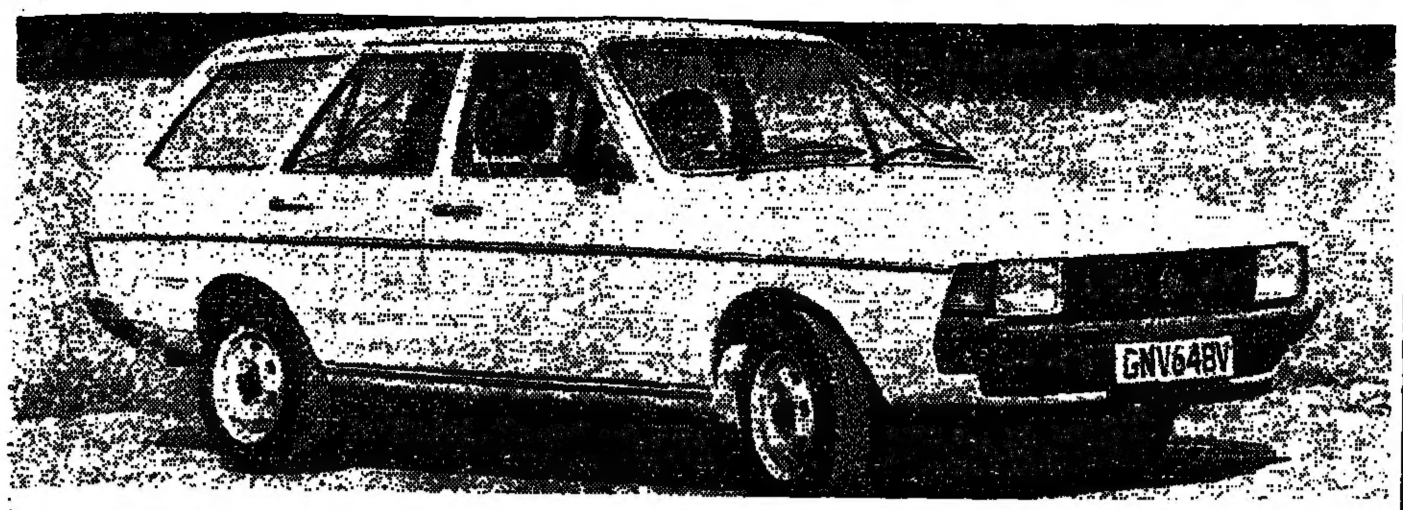
The first of these occurred last year when the Bahamas celebrated the fifth anniversary of independence by issuing two crown-sized silver coins. Both featured the Bahamian coat of arms on the obverse while the reverses portrayed respectively the governor, Sir Milo Butler and Prince Charles, who had, in fact, represented the Queen at the independence celebrations in July 1973. Despite the unflattering profile of the Prince (the more outspoken critics felt it was a better likeness of Prince Anne), the $10 silver coin was eagerly snapped up by collectors, intent on acquiring *it as a forerunner to any future* collection of coins bearing his effigy as king. The Bahamas accompanied the silver $10 coins with a *pair of gold pieces* tariffed at $100. At the time these coins were not available to UK residents but, with the lifting of the gold ban recently, these are now being offered on a strictly limited basis of two per customer by Paramount of Mortimer House, 230 Lavender Hill, London SW11 1LF. As the coins were expected to be in Britain this month no price was announced in advance, and with the meteoric rise of gold in recent weeks this is hardly surprising. Pryospective purchasers are advised to telephone for further details.

Paramount have also been appointed agents by the Turks and Caicos Islands to handle two coins issued recently to mark the 10th anniversary of the Investiture of the Prince of Wales. Both coins have the Machin profile of the Queen on the obverse, but the reverse depicts a chinless wonder. So bad is this parody of a portrait that the designer (who shall be nameless has had to resort to the subterfuge of including the coronet, sceptre and sword of the Investiture. Indeed these elements of princely regalia assume the dominant position, leaving the Prince's profile hovering unhappily in the corner. Still, aesthetics have little or no bearing on the matter and undoubtedly the coins will find no shortage of purchasers on account of their precious metal content, though it should be noted that the coins have considerably more numismatic than bullion value. I am puzzled by their notional values, of 10 crowns (silver) and 100 crowns (gold). The accompanying literature states that they are legal tender in the Turks and Caicos Islands, though the currency used there is cents and dollars, and it remains to be seen where crowns fit into this scheme.

RESIDENTIAL PROPERTY

هكذا من الأصل

MOTORING



Volkswagen's diesel engined Passat estate. Up to 90 mph on the autobahn, or 60 miles per gallon at a steady 50 mph.

Ignore the diesel at your cost

BY STUART MARSHALL

HOW MUCH LONGER can British motorists — and especially *those who drive 20,000* or more miles a year — afford to ignore the diesel car?

When cut price petrol gushed *freely from the pumps at 60p a* gallon only a little more than two years ago, it was hard to make much of a case for the diesel in Britain. But since then petrol has doubled in price and it is clear that with the Middle East in turmoil, an oil supply crisis will never be far away.

Last week, an oil industry expert forecast gloomily that by the end of 1980, we will be paying £2 a gallon for petrol. It would be *unwise to disbelieve* him. In matters concerning *energy supply (not to mention* inflation, economic growth and *so on) the pessimists are usually* right.

If he is correct, the 20,000 mile a year man in his 25 mpg two-litre petrol-engined car will be spending £1,600 a year on petrol 12 months hence. A diesel car of comparable size would cut his consumption by at least 30 per cent. Even assuming a continuation of the *short-sighted government policy* of taxing DERV at a slightly *higher rate than petrol*, that would still amount to a saving *of £420 a year*.

Which would go some way toward paying the price difference between, say, a Peugeot 305GR and the diesel engined 305GRD (currently £673) and by the end of the second year he would certainly be in pocket.

As regular readers of this column will be aware, I am a diesel car buff (did someone say bore?) and my reason for returning to the subject is two-fold. First, I have *recently* driven two newcomers to the growing band of diesel cars now on sale in Britain. And secondly, a VW Golf diesel owner has sent me some statistics bearing out *everything I have written in the past* about this car's astonishing *economy*.

Mr. T. R. G. Chapman, a *chartered engineer living in* Scotland, came to a Golf LD a *year ago after running nine different* makes of car, two Rovers included. The Golf LD, he says, is one of the most satisfying cars he has ever owned.

He has covered 10,858 miles, using 196.9 gallons of DERV which cost him £187.27, giving an average mpg figure of 55.15 *and a fuel cost per mile of 1.72* pence. Total servicing charges *were £50.82 and they would, he* says, have been less had be *not bad to have the front spoiler* twice renewed. (I know the problem. On a Golf LD I drove for three months last year I destroyed a spoiler on the central ridge of a farm track. Why don't they make it of rubber, not plastic?) Needless to say, the Golf has been totally reliable.

Mr. Chapman's insurance—group 3 rating, full no claims bonus, two named drivers and £100 voluntary excess—is only £48.29. Add £50 road tax, and *the Golf LD cost him exactly* £336.38, a weekly total of £6.46, *excluding only depreciation.*

That really does have to be called cheap motoring. Mr. Chapman, who evidently knows how to get the best out of a diesel car, recently made a four-day, 530-mile trip in the Lowlands and Borders during which he returned an average of 69 miles per gallon. And he adds that his year-round fuel figures *reflect his habit of towing a* 6 ft 6 ins by 4 ft trailer now and again.

I averaged 53.2 mpg in my test Golf over 2,251 miles, achieving 57 mpg at best *(mainly in local runs) and never* dropping below 51 mpg. DERV *has gone up steeply in price* since the summer and Mr. Chap*man will now be spending* a lot more than the average 95p he paid for a gallon over the past year. But then everyone else is paying more for petrol. In August, 1978, when I reported on my long-term Golf test, four-star petrol in London was an average 74p and DERV 83p, *though it could be found at fil*ling stations serving a lot of *taxis at 78p a gallon*. *Today*, DERV costs around £1.25. But petrol *is now £1.17: the higher* the price goes, the greater the benefit of a 30 per cent saving in fuel consumption.

The two diesels that only recently arrived on the British *market are the VW Passat estate* car and the Audi Avant. The former has almost the same 1.5-litre engine as the Golf LD, the latter a five-cylinder, 2-litre using many of the smaller four-cylinder engine's parts. They develop 50 horsepower and 70 horsepower respectively, have rich chuckling tickovers but otherwise perform so much like *petrol engines that it really is* hard to tell the difference—until *you pull up at the pump*. The diesel Passat estate has identical trim to the LS model and at £5,460 costs only £392 more, so the 30,000-mile owner will easily get his money back in the first year. The Audi Avant diesel costs £7,503. There is no exact petrol equivalent because the *diesel* has power steering which normally comes only on the *more expensive Avants with fuel* injection.

The Passat diesel cruises as easily at an indicated 85 mph as it does at a motorway 70 mph and any thoughts that it would be a larger and therefore less sprightly version of the diesel *Golf can be dismissed. It prefers* to rev. than to slog and feels *hap*[illegible] *in third at 25 mph than* it d[illegible] in top. Third will show *60 mph, but that is not the way* to maximise diesel economy benefits. At anything over 35 mph the Passat accelerates well in top gear.

Handling feels marginally [illegible]e-heavier than the petrol [illegible]sat, at any rate when running unladen, but the ride comfort and generally nimble behaviour is unchanged. The Passat has a large glass area, giving outstanding visibility. The trim *is as tastefully simple as a Scan*dinavian motel bedroom. VW *claims 62.7 mpg at a steady* 50 mph, 49.5 mpg at a steady *60 mph and say an average* owner can expect 42 mpg overall. I hope to run an extended test in the New Year.

The diesel Audi Avant is even smoother than the Passat, especially when pulling hard in top from 25 mph. It will sustain 90 mph on the autobahn, has a gearshift as excellent as the Passat's and should give an average 35 mpg, VW say.

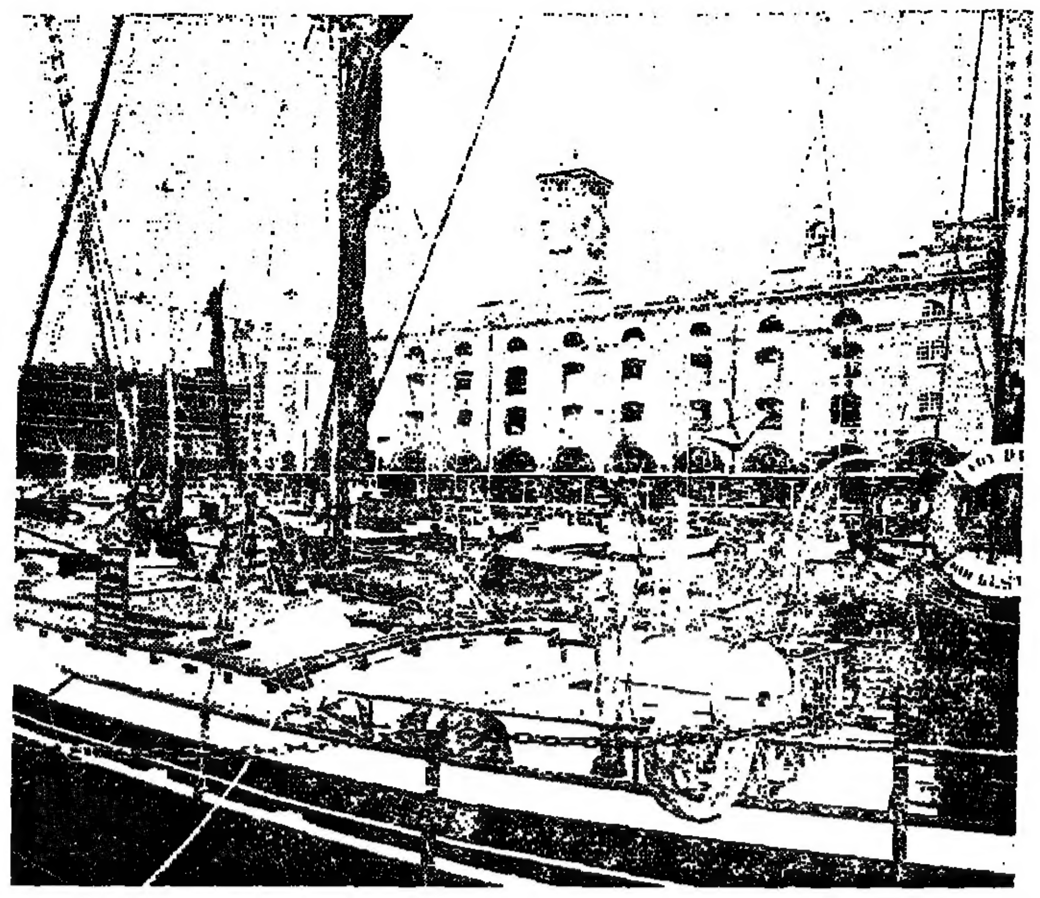
What is so nice about these two diesels is that they respond just like petrol-engined cars when driven hard, but will prove extremely economical *when used more sensibly*. The best of both worlds, in fact.

VW Audi expects to sell 5,000 of their diesels here next year, more than *double this year's* total. No cars make better sense *if fuel bills are paid out of your* pocket, not the firm's.

TRAVEL

London in winter

BY SYLVIE NICKELS



The yacht marina at St. Katharine's Dock.

HAVING SPENT, so far, the first three-quarters of my life as a Londoner and the most recent quarter as a country cousin, I must avoid indulging in a negative form of nostalgia. So let us agree, and be done with it, that our great capital is noisier, more crowded, rather more dirty and rather less polite than it used to be, *and turn to the positive aspects* which are second to none. *Current estimates are that* 8,400,000 overseas visitors will have stayed in London in 1979 and, judging from a sample survey, they seem to agree with me.

My irregular visits have at least incited me to be more exploratory. Hence, very near the F.T. offices the other day, I deviated a little to peer at the Roman remains of a Temple of Mithras in Queen Victoria Street. *And for the first time*, a few months ago, I took in one of the numerous lunch time concerts which punctuate London's weekly calendar. Many of these take place in famous churches and can provide a splendid break in a sightseeing tour or shopping spree.

Thus a visit to the Guildhall can be combined with a lunch-time concert at the *restored* Wren church of St. Lawrence *Jewry next door; or the world's* largest meat market at Smithfield with 12th century St. Bartholomew-the-Great. St. Martin's-in-the-Fields is the obvious choice for a breather on The Mall / Whitehall-Trafalgar Square-National Gallery circuit. St. James's in Piccadilly offers musical respite in the heart of the West End, and is also the home of the *London Brass* Rubbing Centre where you can *learn to do-it-yourself for a* nominal charge.

The London Tourist Board is the fountain of all knowledge: addresses are at the end of this article. From these, too, you can get two recent booklets, comprehensively covering "Children's London" and "Sunday in London" (20p, plus 10p packing and postage). Among the *free leaflets avail*able is one outlining, with map, *two Heritage Walks through the* City, and another offering *similar guidance* on a Bloomsbury Jubilee Walk, with the British Museum more or less in the middle of it. A map for the more extensive Silver Jubilee Walkway costs 35p.

These are excellent for loners, but there are numerous guided walks, for which *it* is not necessary *to pre-book, each concen*trating *on some area or aspect of* London. Dickens, Sir Chris*topher Wren, sundry ghosts, and* pubs are all popular themes: *participation usually costs* around £1. Special Theatreland tours do require pre-booking and cost £7.50, but include lunch or tea, an hour's walk with actor guide through theatreland, and a backstage visit to a famous theatre among other things.

The theatre theme is pursued in other packages offering a *table d'hôte dinner and a good* seat at one of several theatres, *including the* English National Opera. Of novel interest is the fourth London Mime Festival from January 9 to February 2 at various venues and with international participation.

This is not the place to list scores of museums, but two exhibitions topping my list of "musts" are "*Post Impression*ism" at the Royal Academy in *Piccadilly until March 16, 1980*, and "The Vikings" starting at the British Museum on February 14. And it would be a pity, of all things, to miss the Museum of London, partly because of its own excellence and partly because of its neighbourhood. The Barbican, which takes its name from the city defences that once stood here, was the most devastated area of the Second World War blitz. Fragments of those Roman-built *walls can still* be seen, but most things are completely new *or, in a few cases re-built.* Currently under construction in *this modern residential precinct* is the Barbican Centre where two theatres, concert hall, three cinemas, art gallery, library and restaurants should provide the capital with welcome new amenities within the next 18 months, all in a land-scaped setting.

The Tower of London, which regularly tops the list of visited *historic properties (over 3m* in 1978) hardly needs introduc*tion. But the surrounding area* is also blossoming into something of a tourist magnet to which the latest (free) attraction will be added on January 7 when the new World of Brewing Museum opens on the southern side of Tower Bridge.

On the north side of the *bridge, St. Katharine's Dock* encompasses a yacht marina, *some historic houses and the* growing collection of the Maritime Trusts' Historic Ship Collection.

Finally, newest of the wide open spaces within easy reach *for Londoners and their visitors* is Thorpe Park, 21 miles from the city centre and five miles from Heathrow Airport. Described as Britain's first theme park, it covers 400 acres of land and water whose developers have created a leisure centre *loosely based on the history of* the British as a maritime nation *—hence a Viking long ship, a* Roman galley and a model of *the Queen Elizabeth. There is a* good deal more, too, both indoors and out, which could make it just the place for a family outing on a winter's day, whatever the weather.

As usual, there is a good choice of packaged winter *breaks, based on a wide variety* of hotels, both independent and group-owned. Many include *rail travel from any part of the* country; some offer such goodies as shopping; theatre and/or museum discounts, free accommodation for children, and no single room supplements. The LTB can provide a list.

Addresses: London Tourist Board, 26 Grosvenor Gardens, Victoria, London SW1; also ***tourist information centres at*** **Platform 15, Victoria Station; Ground Floor, Selfridges, Oxford St., W1; 4th floor, Harrods, Knightsbridge, SW3; Heathrow Central Station; City of London Information Centre, opposite St. Paul's Cathedral.**

LEISURE

Flower arranging made easy

BY ARTHUR HELLYER

THIS SEEMS an appropriate moment to write about flower arranging, not merely because a great many people will be busy making special decorations for Christmas but even more because the *Royal Horticultural* Society has just conferred two of its highest awards on flower arrangers. Mrs. Mary Pope, who has been a leading amateur for many years and has played a big part in the organisation of flower arrangers' clubs and competitions, has been given the Victoria Medal of Honour and Miss Stella Coe, a specialist *in the Japanese art of icebana*, is to receive the Veitch *Memorial Medal in gold.* The last time anything like this happened was in *1973* when Julia Clements received the VMH and in 1970 Mrs. Pope had a Veitch gold medal. Before that, so far as my memory goes, flower arrangers have seldom figured in the annual RHS awards list.

It is a measure of the changing attitudes of gardeners to flower arrangers and a recognition of the part they have played in the development of horticulture, especially since the war. There was a time when the two movements seemed almost totally disconnected except in so far as the flower arrangers increased the demand for commercially produced cut flowers, may of them imported from abroad. However as the flower arranging art prospered and diversified so its practitioners found it necessary to use a good deal of material that was not commercially available. If they wanted these newly desirable flowers and leaves they either had to grow them at home or persuade gardening friends to grow them on their behalf.

So the demand grew for all *manner of* previously scarce plants and it did the seedsmen *and the nurserymen quite a lot* of good though it also gave them a few headaches. *As always with* a largely amateur hobby, there was also a good deal of friendly exchange of seeds and plants but whatever the means of distribution gardens were enriched as a result.

For my own part I believe that there has been another, and *largely unnoticed, benefit* to gardeners arising from the great increase of interest in flower arranging. For nearly two hundred years our gardens have been dominated by plants, not always to the benefit of their design. Flower arrangers have brought a new awareness of form and colour into the garden as well as into the assembly of cut flowers and foliage in artistic ways and they have applied almost identical principles of balance, harmony and contrast to each. As a result more gardeners than ever before think carefully before they plant, weighing up in their minds how well or badly each plant will associate with its intended neighbours. We now hear and read a great deal about plant associations, agreeable and otherwise, far more than we have heard since Gertrude Jekyll wrote about them so intelligently and persuasively in the early years of the century and we owe much of this new sensitivity to flower arrangers.

The movement has also produced its own literature, both magazines and books devoted to the art as well as innumerable articles in all manner of likely and unlikely places. Many of the publications have been beautiful as well as being authoritative and helpful and in *this category I include* all the books by Sheila Macqueen who has continued so well the work of demonstration and exposition started by Constance Spry. The latest volume to appear, "Sheila Macqueen's Complete Flower Arranging" (Ward Lock, £6.95) is right up to standard and I *recommend* it to anyone looking for a comprehensive book on the subject.

It falls into three unequal sections, first a fairly *short one* on equipment, vases and the general rules to be observed, then the major feature of the book occupying more than 200 pages and devoted to an encyclopaedic description of plants including the best way to prepare their flowers or leaves so that they last well in water, and a final eight pages on flower arrangements for special occasions such as christenings, birthdays and weddings.

The illustrations are superb. *They include 32 whole page* plates of lovely arrangements made by the authoress and photographed in colour by Roy Smith. There are also a lot of delightful line drawings by Leslie Greenwood each of them a little work of art, as well as many good monochrome pictures. It is a pleasure merely to handle this book and an education to study it closely.

I wonder whether it will start a rush for *Catananche coerulea*, the blue cupidone from southern Europe, a hardy perennial that has been grown in England since Elizabethan times but has never been common and I think must have escaped the attention of flower arrangers. Sheila Macqueen confesses that it was not until this year that she became aware of it and she *rightly praises its qualities* as a cut flower. It belongs to the *daisy family, has flowers rather* like those of chicory but borne *singly on slender, 18 inch stems* and the buds have a chaffy texture *rather like an everlasting.* She calls the colour purple but in fact it is variable and can be a lot bluer than that description suggests.

It is worth looking around for a good form. This is a plant for the dry garden in places where it will get every minute of sunshine that is available. Even so, it may not prove long lived but it is readily raised from seed or from root cuttings.

Another excellent but neglected herbaceous perenial that might get a boost from this book is *Libertia formosa.* It makes tight clumps of rather stiff, narrow leaves like those of some iris species and from these in June come wand-like stems bearing white flowers. Sheila Macqueen says that thy last well in water and I can believe this because, though small, they have a substantial look. The brown seed pods are also useful for winter decorations and so are the evergreen leaves which William Robinson once described as "green as holly." Increase is by division in spring and seed will also germinate in a warm greenhouse but neither plants nor seed are abundant. They could soon become so if the demand were there to justify the supply.

A sooper start to the season

WINTER SPORTS

ARTHUR SANDLES

LAST WEEKEND I headed for the Alps in the company of 45 pretty girls and 43 Christmas cakes. The numbers in both cases may be inaccurate but in such exotic company I tend to have a bad head for figures . . . let me rephrase that . . . I tend to lose count. The reason for the girls was that they were all off to be Chalet-mothers in ski villages, a breed of resort hostess seemingly a British peculiarity and certainly ever increasing in number. The cakes baffled me for a time until I discovered that each was required to provide such fare next week. Two of the girls were near tears. A hard-hearted airline insisted that what with skis, cakes and pet teddies the girls were a little overweight. Against assurances that teddies and cakes would follow later the girls grabbed their skis and made for Switzerland. Winter sports women get their priorities right.

Chalet living is increasingly popular with skiers, particularly those keen to sample the more up-market resorts without facing too much in the way of up-market prices. Several companies now offer the chalet system and it appears to attract a particular type of Cordon Bleu trained personnel, so much so that we were soon referring to our travelling companions as the *Jolly Sooper girls rather* than the Supertravel personnel they proved to be.

Having never seen a Jolly Sooper at the end of the season, when the last of a line of British ski families have passed through the chalet doors, I can only talk of early season eagerness. A Jolly Sooper invited me to tea and proferred a bulky apple tart of startlingly delicious proportions that suggested that Cordon Blue and Cuisine Minceur don't talk to each other very much these days; another Jolly Sooper took me skiing and showed the extraordinary courtesy of falling over more than I did—no easy task; and a third whisked me off to the doctor to get the plaster fitted.

This third incident brought to an abrupt end the enjoyment of some spectacular early season snow, and the pleasures of the company of Jolly Soopers. Anyone who is going skiing this weekend might be comforted by the fact that when I left a couple of days ago the snow was so deep in Switzerland that the trains were running late. For once it looks as if many Alpine resorts will get a thoroughly White Christmas. Such is not the case everywhere, however. The U.S. resorts could do with a few more snow showers.

And so another ski season starts. We had hoped to begin *the Snow Reports this week but* the system is not in full operation. *From personal observation*, however, I can say that *in the middle of this week there* was deep snow all the way from *just outside Geneva to Zermatt.*

BRIDGE

E. P. C. COTTER

LET ME remind you that the *Harpers and Queen Christmas* Bridge Tournament held at the Europa Hotel starts on Friday, December 28, with the Mixed Pairs Championship, *followed* by the Open Pairs Championship. On Saturday and Sunday the Simultaneous Pairs and the Swiss Teams will each be held *over two sessions.* For details and entries apply to Bridge, Grand Metropolitan Hotels, 7 Stratford Place, London W1A 4YU (629 6618).

A new book by Tony Sowter, Improve Your Defence (Batsford £5.95) is one that I can recommend with confidence. It is full of logic and good sense. *Study this slam hand:*

N.
♠ Q J 6 2
♡ 5 3
◇ K Q 9 7 4
♣ A 2

W.
♠ 10 9 4 3
♡ K 2
◇ A J 6
♣ J 10 8 3

E.
♠ 7
♡ 7 6 4
◇ 10 8 5 3 2
♣ 9 7 5 4

S.
♠ A K 8 5
♡ A Q J 10 9 8
◇ —
♣ K Q 6

South deals at game to North-South and bids two hearts, North replies with three diamonds and raises South's rebid of three spades to four spades. After his Four No Trump bid gets a response of five diamonds, South bids six hearts, and all pass. What do you lead?

Your heart King seems certain to make, and as good players do not generally employ Blackwood when void of a suit, your diamond Ace should score. Do you lead the diamond Ace? No, because there is a sensible alternative. North would appear to have four spades as well as five diamonds. With three hearts and a singleton Ace of clubs, he might well have bid four clubs over three spades—so give him two hearts and two clubs. That means that your partner holds a singleton spade and three trumps. So lead a spade. When you get in with your heart King, you can give your partner a spade ruff and defeat the contract. When the declarer turns up with a void in diamonds, you see that your spade lead was the only way of putting the declarer down, and your partner is full of praise for your reasoned analysis of the situation.

Now we will put you in the East seat:

N.
♠ J 9
♡ K J 7 3
◇ Q J 5
♣ K 10 9 5

W.
♠ K Q 10 8 4
♡ 6
◇ K 9 7 2
♣ 8 4 2

E.
♠ A 7 5 3
♡ A 4 2
◇ 10 8 6 4 3
♣ 3

S.
♠ 8 2
♡ Q 10 9 8 5
◇ A
♣ A Q J 7 6

With neither side vulnerable, South deals and opens the bidding with one heart, North raises to three hearts, and South bids the game. Your partner's opening lead is the King of spades—what is your defensive plan?

First obey the rules—count *your tricks. You have* two spades, unless, of course, your *partner happens to have a six*-card suit, and the Ace of trumps. *Where do you look for a fourth* trick?

A little thought should show you that it possible for you to make a club ruff if you are alert at trick one and time your defence accurately. Instead of signalling your approval of West's lead by dropping your seven, you must take matters into your own hands. Overtake the spade King with your Ace, and at once return your singleton three of clubs. The declarer will win on the table and lead a trump. You step up immediately with your Ace and lead back the three of spades. West gets in with the Queen—mercifully the declarer has a second spade—and returns the four of clubs, which you ruff to put the declarer down.

No other defence defeats the contract, and let's face it, it is not difficult to find.

CHESS

LEONARD BARDEN

NIGEL SHORT, at age 14, will be the *youngest* ever British player in the annual Hastings *Premier to* be opened by astronomer Patrick Moore at *the White Rock Pavilion* next Friday afternoon. The congress, 55th in the world's *longest running* international event, is again sponsored by International Computers and carries a £1,000 first prize.

Others in the 16-man Premier are likely to be Hort (Czech), Andersson (Sweden), Georgadze and Makarichev (both USSR), Liberzon and Zilber (Israel), Raicevic (Yugoslavia), Biviasas, Seirawan and Christiansen (U.S.), Stean, Nunn, Speelman, *Mestel and Bellin (England).*

On published international ratings, Short at 2260 (equal to a British grade of 208) is by far the weakest in the field, but of course this figure is very out of date and on current form he would be around 2400 (equal to 225). Taking this latter *figure as the true one, Short's* expected score is around 5½ points from 15 games. He would need 7 points to complete his qualification as the youngest international master for which he achieved the first leg in the Grieveson Grant British Championship.

It will be only natural if the boy is a little overawed in his first venture against such world class opposition, but the other five English players are all young men in good form who have the chance to provide a long-overdue home success at Hastings. The Russians have sent two second-line grandmasters so that the favourites on paper are Hort and Andersson, both former Hastings winners.

One of Nigel Short's recent wins, played in a Manchester League match, sheds further light on an attacking system against the Pirc/Modern Defence. It is one of Short's favourites and has been featured previously in this column.

White: *N. D. Short. Black:* G. D. J. Keane. Opening: Pirc Defence (Manchester 1979).

1 P-K4, P-Q3; 2 P-Q4, N-KB3; 3 N-QB3, P-KN3; 4 B-QB4, B-N2; 5 Q-K2, N-B3; 6 P-K5, N-Q2.

The "win" of White's queen by NxQP; 7 PxN, NxQ; 8 PxB, R-KN1; 9 KNxN is illusory; *White's three pieces are more* than enough compensation.

7 N-B3, 0-0 ?

This is insufficient, as is 7 . . . PxP ? 8 BxP ch! KxB; 9 N-N5 ch and wins, but the critical line is 7...N-N3! 8 B-N3, 0-0; 9 B-KB4, P-QR4; 10 P-QR4, B-N5; 11 0-0-0, Q-B1 when *Black's active pieces give* counterplay (K. Arkell-Chandler, *Manchester Benedictine 1979*).

8 P-K6, PxP; 9 BxP ch, K-R1; 10 B-K3, N-B3?

Black should still play 10 . . . N-N3.

11 N-KN5, Q-K1; 12 N-N5, Resigns.

Perhaps a trifle premature, but after 12...BxB; 13 NxB White wins rook for knight by NxR or NxBP and Black has no real compensation.

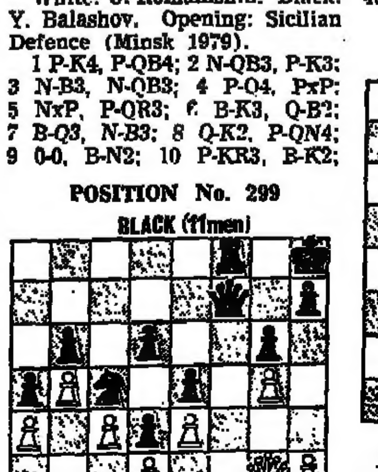
If Nigel Short continues to fulfil his promise, his great rival in tournaments of the 1980s will be the 16-year-old Russian Gary Kasparov, who has just won his first three games in the USSR Championship. This event, always the strongest national contest of the year, produced a fine attacking win in the opening round.

White: O. Romanishin. Black: Y. Balashov. Opening: Sicilian Defence (Minsk 1979).

1 P-K4, P-QB4; 2 N-QB3, P-K3; 3 N-B3, N-QB3; 4 P-Q4, PxP; 5 NxP, P-QR3; 6 B-K3, Q-B2; 7 B-Q3, N-B3; 8 Q-K2, P-QN4; 9 0-0, B-N2; 10 P-KR3, B-K2; 11 P-B4, P-Q3; 12 N-B3, 0-0; 13 P-R3, P-N5; 14 N-QR4, N-Q2; 15 P-B3, PxRP; 16 P-QN4, P-Q4; 17 P-K5, P-N3; 18 Q-KB2, P-B3; 19 PxP, BxBP; 20 Q-R2, K-R1; 21 QxRP, P-K4; 22 PxP, N3xP; 23 NxN NxN; 24 QR-Q1? P-Q5! 25 PxP, N-B6 ch! 26 RxN, BxR; 27 R-KB1, BxNP! 28 KxB, B-R5! 29 Q-B1, Q-N6 ch; 30 K-R1, QxP ch; 31 K-N1, Q-N6 ch; 32 K-R1, R-B6; 33 B-KB4, Q-R6 ch; 34 K-N1, Q-N5 ch: 35 K-R1, R-R6 ch; 36 B-R2, RxB ch! 37 Resigns. If 37 KxR, B-N6 ch; 38 K-N2, B-B5 dis ch; 39 K-B2, Q-N6 ch: 40 K-K2, R-K1 ch forces mate.

POSITION No. 299

BLACK (11men)



WHITE (11men)

K. Jones v. Hanken, U.S. *Open 1978. A tough position* for Christmas; Black is to move, and the puzzle is to find his best plan of campaign.

PROBLEM No. 299

BLACK (2 men)

WHITE (6 men)

The problem is also a searching test of your skill. This seasonal diagram was composed by Sam Loyd in the form of a Christmas tree shape of the pieces. White mates in four moves at latest, against any defence. Allow plenty of time *before you give up; one crack* British solver took a full two hours.

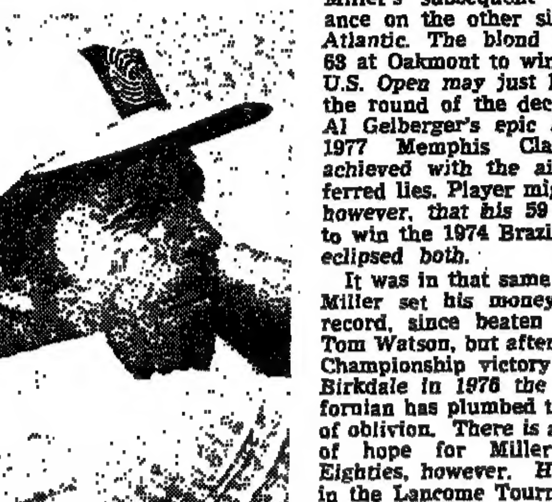
Solutions Page 10

GOLF

Portrait of the seventies

BY BEN WRIGHT

IF ONE had attempted this review of the seventies a month ago the temptation to comment on the passing of the era of the "Big Three" would have been irresistible. Gary Player's subsequent four consecutive victories in his native South Africa *would have made that* obituary rather premature. Even if Jack *Nicklaus is plainly* losing interest in all but the major championships, and *Arnold* Palmer spends less time on the golf course. Player has yet again proved himself the fittest and most determined golfer in the game's history. As he asserts if he retains his health and enthusiasm the South African could yet prove himself the greatest player of all time, not just the best ever born out*side* America. I am thrilled to have been around to watch *Player for 25 years since a good* friend Hugh Lewis, then pro*fessional* at Altrincham Municipal Golf Club advised him: "Go home to Johannesburg Gary lad, forget about **** golf, and get *yourself* a **** *honest job!*" when Player asked the burly *Welshman* how best to *improve* his then inadequate technique in the summer of *1955*. Certainly no golfer in history has since made more out of less natural talent than has Player.



Gary Player: greatest player of all time ?

The Seventies began with conspicuous promise for Britain when Tony Jacklin followed his epic 1969 Open Championship victory with a runaway win in the 1970 U.S. Open in rural Minnesota—the first Briton to win the title since Ted Ray in 1920. Michael Bonallack destroyed America's Bill Hyndman by eight and seven *in the final* of the 1970 Amateur Championship at Newcastle, Co. Down, and went on in 1971 to lead our Walker Cup team to a first victory over the Americans since 1938 at St. Andrews. Since then you will hardly need reminding that the Seventies have been lean times for British golfers on the few occa*sions they* have dared to venture into world class. Thank *goodness for Severiano* Ballesteros and more recently Sandy *Lyle*.

In the professional ranks Lee Trevino made his lasting mark early in the Seventies, and an indelible scar on Jacklin's heart when he chipped into Muirfield's 17th hole, or *71st to* retain his Open Championship title in 1972. *Jacklin* fizzled out with all the comet-like speed of Johnny *Miller's subsequent disappearance* on the other side of the *Atlantic*. The blond Mormon's 63 at Oakmont to win the 1973 U.S. *Open may* just have been the round of the decade, since Al Gelberger's *epic* 59 in the 1977 Memphis Classic was *achieved* with the aid of preferred lies. Player might argue, *however, that his* 59 at Gavea to win the 1974 Brazilian Open *eclipsed both.*

It was in that same year that Miller set his money winning record, since beaten twice by Tom Watson, but after his Open Championship victory at Royal *Birkdale* in *1976 the tall Californian* has plumbed the depths of oblivion. *There is a glimmer* of hope for Miller in the *Eighties, however. His victory* in the Lancome Tournament in *Paris this autumn was not half* as important as his tie with Watson for the Colgate *Hall of* Fame Classic at Pinehurst, only to lose at the second play-off hole. Miller progressed from 111th to 79th place in the American money list in 1979, and may yet be heard of again.

Mention of the name Colgate brings one to *that of David* Foster, the "godfather" of *women's golf* in the Seventies. The English president of Colgate *Palmolive put the female* game firmly on the map, helped to produce its new *heroine*, Nancy Lopez.

Also in the women's game American professional Jane Blalock was accused of cheating and suspended by her fellow competitors for a year in 1972. Jane fought for three years to clear her name before the U.S. LPGA settled out of court, appointed its first commissioner, Ray Volpe, and brought in an independent board of directors.

It was a decade that saw golf become a multi-million pound business *and business* managers proliferate as a direct consequence. *On February 6, 1971* astronaut Alan Shepard struck the first golf shots on the moon. On July 20, 1979 67-year-old Sam Snead brought in a score that equalled his age. Two days later Snead improved to 66 in the fourth and final round of the same tournament. Lee Elder became the first black golfer to play in the Masters Tournament *at Augusta* in *1975*, and this year became the first black golfer to play *on the American* Ryder Cup team at the age of 45. The Royal and Ancient Gold Club of St. Andrews made the use of the American size 1.68 inches diameter golf ball mandatory for the 1975 Open Championship and, hopefully, for ever.

The "match" of the decade was plainly that between Watson and Nicklaus over the last 36 holes of the Open Cham-pionship at Turnberry in 19[…] when the championship w[…] played at that venue, for [the] first but hopefully not the la[st] time. Watson had to score [6…] in each round to prevail ov[er] his veteran rival with a fin[al] aggregate of 268 that shattere[d] the championship record [by] *eight strokes.*

Lastly and sadly the founde[rs] of the Masters Tournamen[t] Bobby Jones and Cliffo[rd] Roberts died in 1971 and 197[…] respectively, and left behind [a] fitting legacy, the best run go[lf] event in the world. Two of th[e] game's greatest characte[rs] *Fred Corcoran* and Henry Long-hurst died in 1977 and 197[…] *Corcoran* was the virtu[al] founder of the American pro-fessional circuits, both male an[d] female, and managed amon[g] others Snead and the *late* To[ny] Lema. Longhurst was simpl[y] golf's best exponent ever of th[e] spoken and written words.

Jonjo chases gold

RACING

DOMINIC WIGAN

WITH STABLE jockey Ron Barry unable to do the weight on Current Gold *in this after*noon's Coral Welsh National Jonjo *O'Neill comes in for the* ride on the Gordon Richards *trained eight-year-old.*

There seems a strong possibility *that this tough individual* who relishes a test of *stamina will give the Irishman* (who turned down a winning *ride on Father Delaney in the* Massey Ferguson) a day to remember.

Current Gold, set to carry just 1 lb more than the minimum allottable in the short *handicap* weights (10 stone) found the *lack of a turn of foot his undoing* in the Hennessy at New*bury on November 24.*

Nevertheless, he ran a high respectable race, *finishing fourth* at 1¼ lengths, 4 lengths and 1¼ *lengths* to *Fighting Fit*, Zongalero and Royal Stuart.

Provided that there is not a slow pace in the first half of *this 3¾ mile* test *(a feature* which proved his undoing when a narrowly beaten third behind Irish Tony and Coparu at Wetherby), *Current Gold* should take a good deal of beating off his lenient handicap mark.

Of the remainder in a rac[e] which rarely goes to a mark[et] *leader, I have most regard fo[r]* Barry's mount, Prince Rock and the Jenny Pitman-traine[d] *Gylippus.*

At *Fakenham, the best be[t]* of the afternoon could well b[e] *the progressive Denys Smith* trained youngster Mr. Rafferty Last time out at *Ayr, this three*-year-old ran on well to tak[e] *second place behind Ona* promise. Mr. Rafferty goes this afternoon for the Scotsman Frigidaire Novices' Hurdle.

Anyone contemplating mixed doubles or other multiple bets *on Boxing Day or over the holi*day period in general will do well to remember *that* there will not be a full Extel commentary service on one or two of the busier days.

Although the major bookmaking firms will, doubtless, be *accepting bets for all meetings* under Jockey Club rules, a num*ber of smaller companies* lay down in their own rules that selections for meetings not covered by the Extel commentary are void.

CHEPSTOW
1.15—Sea Image**
1.50—Current Gold
2.55—Nimrody
FAKENHAM
1.45—Nampara Cove
*2.15—Mr. Rafferty****
2.45—Irish Shamrock
3.15—Dikaro Lady*

The plight of the flying eater

BY EGON RONAY

PAN AMERICAN'S marketing director in charge *of* North America tracked me down on the telephone in Houston, Texas, three weeks ago, and invited me to address a meeting of 50 top executives and travel experts in San Francisco. I was asked to detail the experiences of six of us who assessed all 14 airlines, on three flights each, between North America and the British Isles. As Pan American came twelfth (third from the bottom) in the resulting league table, his was a broadminded and constructive approach. (I couldn't accept because of the date.)

The survey of 14 airlines, *published in Egon Ronay's* Lucas Guide 1980 to Hotels and *Restaurants, created world*-wide interest of unexpected *proportions. But the first reac*tions of the airlines weren't *quite as well considered as the* one I mentioned.

Before they adopted a constructive attitude, Pan American instantly recommended a psychiatrist to me and accused me, in the American press, of a British bias against Pan American. El Al's startled statement said: "The inspectors' brief obviously was just to go out and get the airlines" (they had been placed at the bottom of the table).

Delta, who led by a convincing margin, included the fact in their advertising and re*ceived my permission to* use our report in their application to *the American Civil Aeronautics* Board for a licence to fly a new transatlantic route.

British Airways, whose "Elizabethan" menu appalled our inspectors, both for farcical concept and absurd result, said *we* were out of touch with the public's need. Another inter*national airline, although it* came quite well out of the survey, asked me to advise professionally on a new economy menu to be served under my name — a flattering invitation I couldn't accept for obvious reasons.

Laker's New York representative *told* me *of his surprise* that the company had a placing and a reasonably good one at that. Braniff told the Press in New York that their competitor's win was "hilarious," because we had compared the atmosphere on board Delta's impeccably staffed planes with "*that of a civilised party.*"

TWA rightly announced to *the Wall Street Journal that it* is the best between New York and London *(Delta. flies only* from Atlanta, and Air Canada, which came second, from Toronto).

Food, though only one of 14 factors we had considered in the rating method developed over many months, was unexpectedly lent prime importance by the media all over the world.

Reaction of airline staff was unexpected. Our findings *that stewardesses, basically* waitresses, are over-glamorised *and may find it beneath their* dignity to keep the often *scandalously dirty lavatories* clean, stung a British airline *stewardess into a revealing* letter to the Daily Telegraph. *Thus confirming our findings* that no one seems to clean WCs *on many airlines. Northwest* Orient told the Wall Street *Journal that I was* "a male chauvinist."

A rash columnist in London called the survey, without *having read it,* "*cheap publicity,*" which shocked my *accountants as I had incurred* the *basic* cost of £15,000 against *their advice.*

But the interest of the Press *and their overall support of our* views clearly reflected their *readers' strong feelings*, nowhere more than in the U.S. *The New York Times consumer* affairs correspondent, having *reported on our survey, followed* it two weeks later (December 1) *with a well-researched study of* the very point to which I drew his personal attention *at my* Press conference in New York—*the diminishing size and grow*ing density of seats.

Under the front page heading "Air Travellers Feel Jammed as *Planes Instal More Seats,*" he reported that many Jumbo jets had increased their seating by up to 38 seats in two years, to ten instead of nine abreast; that even the union representing the American cabin crew objected to the safety and psychological aspect of this crowding; and that the American Airline Passengers' Association — an independent body — objected most strongly to the tight seating space.

The public in Britain and the U.S. expressed general annoyance with airlines in numerous letters to us, objected most to the state of lavatories and many approved of our suggestion to simplify food. Yet, even on the Concorde's mere three and a quarter hour flight, they cling to the idea of serving, for example, *sole bonne femme.*

It is unpalatable mush, of course, as even in a restaurant this dish is spoilt after a six-*minute wait. Only* buckets of most expensive champagne, ceaselessly served, can prejudice the palate. No such free

anaesthetic alleviates the tragicomical reality of the aforesaid Elizabethan fare, of "Veale and Porke Pye Northumberland" printed in gothic, or the inedible joke of "Tarte Martin Frobisher."

Our conclusions are:

● Airlines need to mend radically, perhaps by constant polling, the eroded lines of communications, so that passengers actually *feel* that airlines are interested in their individual wishes and thoughts and that these are actually taken into account. Consideration must be more than lip service — it must be seen and felt by passengers.

● The time is ripe for a large-scale, co-operative effort of airlines to research the psychological needs of passengers. The denser the masses, the greater the need to feel wanted and to *be reassured, particularly* because of subconscious fear *of flying.*

● Lavatories must be cleaned during longer flights.

● A new approach to eating in flight is much overdue. Sir Freddie Laker again shows the way not to serve food automatically.

I can foresee a buffet table in *the boarding lounge, with* a choice of inventively packaged delicacies to cater for all tastes and pockets; to be picked up, like duty-free goods, with improvement in quality and a big saving in effort, manpower and cost.

● The need for a dramatic *improvement in transport* between airports and city centres *is exasperatingly* common knowledge.

Within a couple of years, better service will become the most important point of competition after safety. For this reason alone, the de-monopolising of routes is in the public interest.

I hope that the first survey of airlines, which we plan to continue and expand, will have contributed to the reassessment and improvement *of* creature comforts in the air.

HOW TO SPEND IT

by Lucia van der Post

Last-minute thoughts

SO, YOU still have to decide which stuffing to use, let alone when you're going to make it, and Aunt Vera hasn't let you know if she's coming and in the meantime you have, of course, got several presents yet to buy. Well, if that's the state your're in, and let's face it, most of us are, then here are some last-minute suggestions for saving the situation.

In London by no means all the shops will be open on Christmas Eve so today is almost your last shopping day. Chain-stores like Marks and Spencer and British Home Stores and W. H. Smith will all be closed in the West End, though out of London branches will be open on Monday. Harrods, for those within reach, will be open on Christmas Eve until 5 pm.

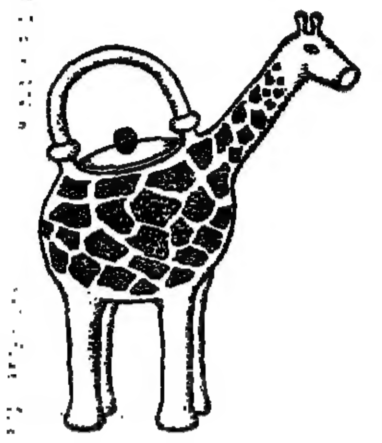
Chain-stores are, as everybody knows, a good source of last-minute buys — Marks and Spencer is particularly strong on the men's side and even if you don't find exactly what you want, you do at least know that whoever you give it to can change it as soon as the shops open again. Cashmere sweaters are still available at about £32.50 in most main branches — an expensive but lovely last-minute present if ever there was one.

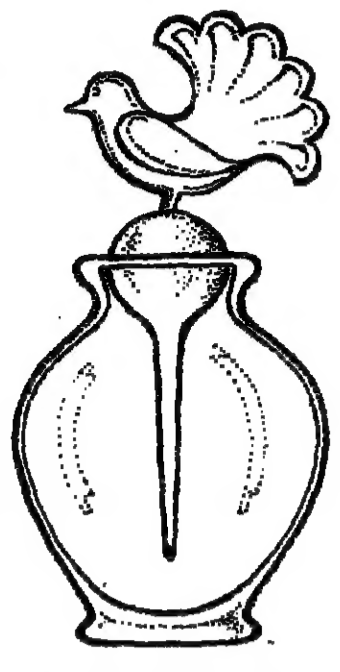
Boots branches, except for Brent Cross, will be open and their special gift counters in their larger branches should help make it much easier to find something at the eleventh hour.

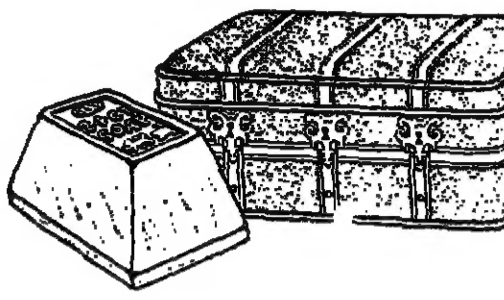
Londoners who are really stuck might like to know about two last-minute services. La Reserve of 56 Walton Street, London SW3 (01-589 2020) will deliver, by motor-bike, single bottles of wine in a special presentation box anywhere in London the same day as it is ordered. They have a good selection of wine from Beaujolais Nouveau, through some very inexpensive whites and reds to rather special bottles like a Puligny Montrachet at £9.75, a 1973 Mersault at £6.75, a 1972 Pommard Les Jarollieres at £8.47. They charge £3.50 on top of the cost of the wine for the service.

Unirose will be taking orders by phone (01-727 3922) on Sunday between 10 am and 6 pm and on Christmas Eve between 9 am and 11 am for delivery on Christmas Eve in central London only. They take any kind of credit card so it could hardly be more painless. You can organise to send a single bottle of champagne (£13.50 for full yellow label champagne), a yard of Bendicks Bittermints (£15.95), a 1 oz jar of Beluga caviar (£13.95), a bottle of Taylors Vintage Reserve 1972 Port (£9.50).

Finally, and perhaps best of all, are books. Most branches of W. H. Smith will be open if your own local bookshop isn't. Whistler's Mother's Cook Book is a small, totally delightful little collection of recipes of Whistler's mother. A charming stocking filler at £3.95. For intellectuals there's The Exeter Book Riddles, a Penguin Classic—most intriguing, £1.25. The Penguin Book of Mazes looks like wonderful therapy for the more restless and/or competitive members of the family party, at £2.50.







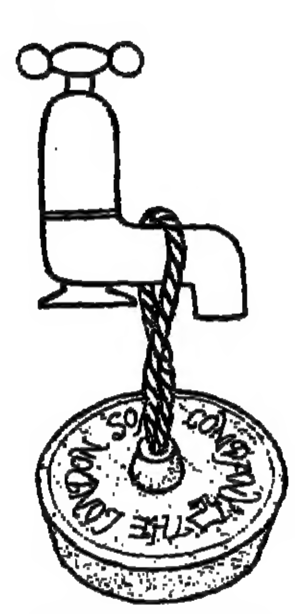
Fine soap, or even just joky soap, is the sort of thing one never buys oneself, so you could do worse than pick on one of the beautiful selections of soap around. If you want something wittier, there is a new collection of soaps [illegible] the visual pun. Above is a splendid little tin, like a treasure c[illegible], and inside it are two smooth, yellow ingot-shaped bars of soap. About £2.65 from all branches of The Reject Shop, Heals, and other gift shops up and down the country.

Londoners who can face yet another bout of shopping are lucky for there is the Craft Council shop within the Victoria and Albert Museum which is a marvellous source of one-off, totally original, but mainly expensive, presents. The shop keeps the same hours as the V & A which means that it will be open on Sunday from 2.30 pm until 5.15 pm though it is closed on Monday.

On Sunday, if still searching, Londoners could head for Camden Lock where the flourishing group of shops and stalls is heralded by such crowds gathering in the area that you need to be quite courageous to face it. Search among the outside stalls for fine knits, old clothes, antique jewellery and other bric-a-brac. For charming craft items go to the Lock Shop, which borders on to Camden Lock itself. Here there are lovely hand-made wooden towel rails for £9.95, a large wooden painted tiger who, apparently, looks marvellous when placed against jungly green plants, £19.95. There are lovely book ends in the shape of penguins, ideal for paperbacks, at £13.50 a pair and above we've sketched a giraffe teapot (there are also elephant and dinosaur teapots) for £22.50 and a scent bottle which is £4.65.

Most of the items the Lock Shop sells are made by craftsmen so you can't always be sure of finding duplicates. Besides wooden toys and book-ends, there is a selection of clothes, colourful Shetland wool dresses, pottery of all sorts, and a collection of faceted glass terrariums complete with plants.

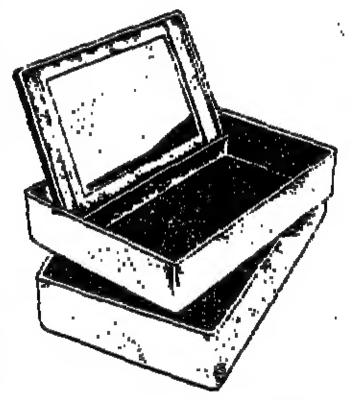
The Lock Shop will be open from 10.30 am to 6.30 pm on Saturday and Sunday and on Monday (Christmas Eve—it will open from 10.30 am until business tails off (about mid-day).



Drawings by Jan Wheeler

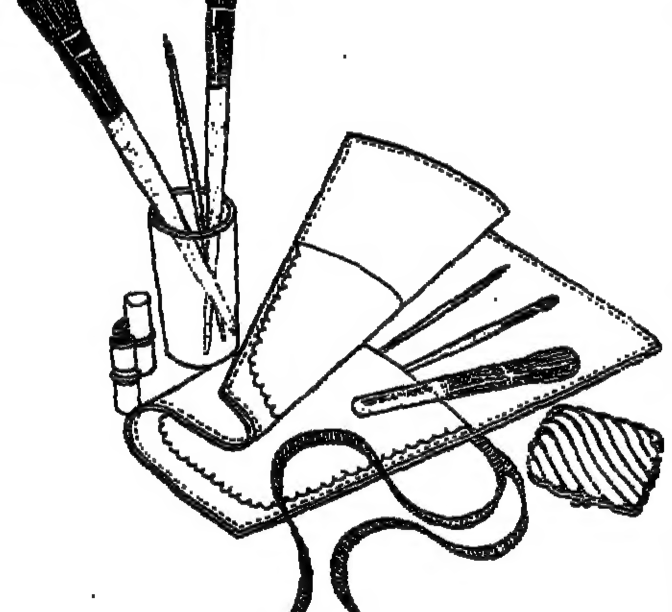
From the same stable as the treasure-chest and its ingot soap, The London Soap Company, comes the soap shaped just like a plug. It would appeal to children of all ages and is useful as well, as the rope can be used to keep it firmly attached to the tap. About £1.65 from Friars Gallery, Canterbury; Dodo, Tunbridge Wells; Here and Now of Brighton; Charles T. Burgess, Macclesfield and gift shops up and down the country.

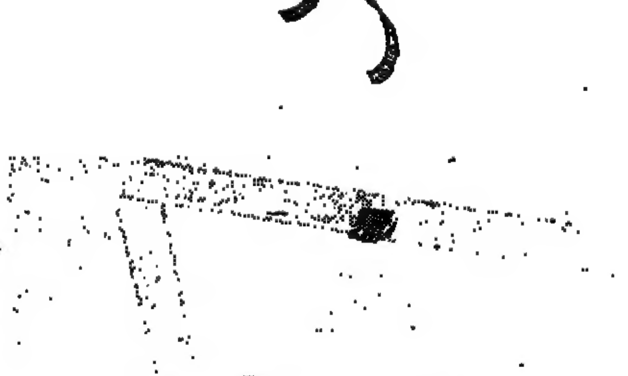
For some reason, unfathomable to me, many people love anything to do with their star signs (perhaps in my case it's something to do with being born under one of the most controversial signs in the calendar) and just to please them the London Soap Company has a soap to go with every sign of the Zodiac. Each is encased in a deep blue and gold decorated storage tin with a transparent lid and the tin itself can be used after the soap is finished. About £1.65 per soap. Find them also at the stockists listed above.



Frank Wheeler

Boots branches up and down the country will be open today and on Christmas Eve (with the exception of Brent Cross) and, in particular, they will be one of the few West End shops open on Christmas Eve. Larger Boots stores have special gift counters at which they sell some rather more up-market present items. There are some fine horn brushes and combs for men (there's a brush and comb set for moustachioed men at £9.99) and a good selection of lacquered boxes—I think one can never have too many of these. Sketched, above, is a double-layered lacquered box which could be used for storing trinkets or make-up. There's a mirror in the lid and the whole box is lacquered a deep Chinese red. £8.99 from the 12 branches of Boots that have these special gift departments—that is, main branches in big cities like Leeds, Bradford, Manchester, the Knightsbridge and Piccadilly branches in London. If you like boxes look out also at the same branches for the series of nesting heart-shaped lacquer tins—three plus one pill box. They can all be bought separately, the pill box is £1.55, the largest tin, 6¼ in at its widest point, is £3.50.





Make-up, provided it's properly chosen, and make-up accessories are one of those perennial presents that women go on needing and love to receive. As most chemists are open today and on Christmas Eve you can nearly always find something special to give. If your local department store is open Estee Lauder counters are selling a fine collection of six make-up brushes (sketched top); two are for blushers in what she calls "boudoir" and travel sizes, one is for face powder, one for eye-shadow, one for lip-liner, and one for eye-liner. They all come in their suede-like case which makes them very easy to pack. There's a frosted lucite caddy which looks good on the dressing-table and acts as a store-house for the brushes when at home, £35 the set. Also sketched here is a dazzling "gold" powder compact shaped rather like a shell, £50, also from Estee Lauder counters.

Photographed immediately above is a splendid present for a young girl — a cosmetic kit which enables any younger girl to play about with a whole host of colours — which is quite the best way to learn what suits her best. The beauty box is £4.50 from branches of Woolworth and includes six shades of powder eyeshadows, mascara, khol eye pencil, two powder blushers, three lip colours, two blushers and two double-ended applicators.

Sixth Scents

Photographed at The Savoy by Roger Taylor

THE BEST, most feminine, most desirable of presents must surely be the great whopping bottle of one's favourite scent (and, I know it sounds greedy, but preferably with some body lotion and bath oil to match). Happily for all those who do what the men in my life seem prone to do, which is to rush into the nearest large store some time on Christmas Eve, they will find that good chemists' shops and stores up and down the country are awash with an embarrassingly large selection to choose from.

Once it was a simple matter of choosing between Chanel No. 5, Guerlain and a couple of the other classic "greats." Discreet, under-stated, refined and of impeccable pedigree, they were what the true lady wore—and having chosen her one-true scent she stayed with it almost all her life.

Now the whole scent scene has changed (my friend Caroline, who comes from a distinguished lineage, assures me that though buyers and other people involved in the commercial world may refer to them as "perfumes" or, heaven forbid, as "fragrances," "scent" is what she proposes to go on using).

Where once there were a few great names to choose from, now the counters are groaning under an endlessly enticing ocean of new smells. Just this year a record number of new scents were launched—nearly all very expensive, nearly all achingly lovely.

Those who are used to the under-stated ways of the old, traditional French classics may find these stronger, more thrusting rivals a trifle arrivistes. I have to confess to a prejudice in this department myself. Some of the new scents are so strong, so distinctive that they seem essentially vulgar to me and I have been known to move away from people in tubes and buses when they sport a particularly strong but, unfortunately, very popular scent.

Made to last

However, there is no denying that this point of view is distinctly out of date. Helen Sher, cosmetic controller at Bournes, Oxford Street, London W1, tells me that times they are a-changing—"many women nowadays have a whole wardrobe of fragrances and the days when a woman found one favourite classic and wore it all her life are gone. The fashionable smell today is lasting and strong. It goes with the modern, confident [illegible] women who are not wallflowers but want to be noticed."

It was Opium which really marked the changing point. Opium (by Yves St. Laurent, of course) has been the success of the decade and launched a whole new era. It was the first of the great Eastern, spicy scents and it was the cleverest marketing package the scent world has ever seen. Promoting a scent these days is more than just devising an attractive smell—it is name (the controversy surrounding the name of Opium must have done more for its image than a mountain of advertising), bottle, packaging, aura, mystique, all carefully projected.

Designer names

Though it seems daft to buy for the packaging, it all helps to project a certain vision of the sort of person who might use that scent, the sort of person the user would wish to identify with. And as Helen Sher points out, though a Timex tells the time perfectly well, that doesn't stop people wanting a Cartier watch. So it is with scents—women long for that extra touch of magic.

Most of the new big, designer name scents are expensive but it does seem to be true that quality goes with price—it isn't just one big rip-off as many people seem to suspect. For instance, with Joy (still being sold as the "most expensive perfume in the world") the bottle is hand-ground crystal, the little gold thread is hand-wrapped and so on.

When you realise that it takes thousands of pounds of rose petals to make a single ounce of rose essence, you begin to realise why scents cost what they do.

So if you are a man this Christmas and you need to buy some scent at the very last minute what do you choose? I asked Helen Sher how she deals with this perennial question. First she asks if the woman is blonde or brunette, for over the years she has discovered that brunettes definitely prefer the more positive, stronger scents, while blondes prefer those that are a bit more understated. She then asks if the woman is outgoing or conservative and from there she offers the man some two or three scents to smell—don't try and smell any more, she says, for nobody can register after about that number. For brunettes she thinks Private Collection by Estee Lauder, Jardanel by Jean de Prez, Mystere de Rochas and Silences are just some of the scents to buy. For blondes she likes Bal a Versailles, Mme. Rochas, L'Air du Temps.

There has been a lot of sniffing going on in this office in the course of our arduous research into the matter and as the whole question of scent is nothing if not personal, here, for what it is worth, is my very personal list of favourites.

My all-time favourite is Jicky by Guerlain (the great disadvantage of this addiction is that it is almost never on sale at any duty-free shops). For Guerlain aficionados there is a new one, Nahema, to try though for me it will not displace Jicky, Shalimar, Mitsouko and Chamade in my affections. Of the really new scents, I think 7e Sens by Sonia Rykiel is lovely but it is on the strong side—it brings trails of comment in its wake (which, as any true French parfumier would tell you, must mean that it is a little too insistent). Cinnabar by Estee Lauder is musky, spicy, delicious. Shocking de Schiaparelli is a new revival of an old scent—I love it because it is the first grand scent I ever remember identifying. Mystere de Rochas is heavy, heady and infinitely exotic. Expression by Jacques Fath has the most extra-ordinary bottle which would tempt me, even if the scent itself weren't so light and delicious. Miss Dior is particularly nice in the summer being light, but intriguing.

If you think this list is confusing just wait for the new year—some amazing new scents are on the way—Balmain's Ivoire (already launched amid varied Eastern exotic settings in America and France) sounds tempting while Oscar de la Renta's new scent comes in what is apparently one of the most beautiful scent bottles ever—a crystal flower with a dewdrop on the top.

Unisex

Kenzo of Jap is threatening to launch a unisex cologne on the unsuspecting world and he proposes to call it King Kong. Here in England Laura Ashley has her own Eau de Toilettes no. 1 and no. 2 (I haven't yet actually smelled them so I can't comment on their quality) while Bill Gibb, Zandra Rhodes and Howie all plan to introduce their own.

In the meantime, just to be completely contradictory, the really chic women, just as the craze for the heady, rich, designer scents is reaching its peak, is resorting to little old-fashioned shops where she buys the pure floral essences which she chooses by the fistful and either wears them as a single note or else mixes and matches them as [illegible] she did her [illegible].

These are not such handy last-minute presents as they are usually to be found only in smaller, out-of-the-way places, though if you happen to be near them, do go and investigate.

Probably the most widely distributed of these new essences are those by The Perfumer's Workshop (Army and Navy in Victoria and out of London branches, Barker's of Kensington, Bournes, Selfridges, Dickins and Jones all in London as well as Beatties of Birkenhead and Wolverhampton, Bentalls of Kingston, Binns of Hull and Sunderland, Cavendish House of Cheltenham, Dingles of Bristol and Plymouth, Fenwicks of Newcastle, Howells of Cardiff, Jollys of Bath, Kendal Milne of Manchester, Rackhams of Birmingham, Frasers of Aberdeen, Glasgow and Stirling, and Jenners of Edinburgh).

Blend your own

The Perfumer's Workshop offers some sixty-four essential oils, all of which are single-note floral essences—you can either use these on their own or you can buy accessory solutions and make up your own bathoils, colognes, and so on. As you can see, the idea behind it is that you make up your own very exclusive scent. You can blend them and mix them to your own recipe.

Prices start at £4.50 for ½ oz of essential oil, while a 1 oz Tea Rose Eau de Toilette is £6.65 (Tea Rose is easily their most popular essence, followed in the popularity stakes by Jasmin, Gardenia and Lilac).

Rather similar in conception is L'Artisan Parfumeur, an enchanting little shop at 194-6 Walton Street, London, SW3, founded by Jean Laporte. The shop looks like a traditional French parfumerie and here you have all the traditional essences, though somehow they manage to smell more sophisticated, less entirely natural, than their Perfumer's Workshop counterpart. The names alone beguile—Mure et Musc, Vetiver and so on and on. Even if you don't have time to make it to his shop before Christmas do visit it sometime for it is a joy just to see. Smell his most expensive bottle—"La Parfum qui vous Metamorphose" which is based on blackcurrants and costs £54.

For another look into the true old world parfumerie visit Penhaligons at 41 Wellington Street, London, WC2 where they are reviving some extremely old but distinguished scents and where any one of their beautiful antique scent bottles would make a most original and entrancing present.

ARTS

Ghosts and Israelis

RADIO

ANTHONY CURTIS

Tuesday Call has had a good year. There are always enough listeners who are prepared to stand-by their telephones between 9 and 10 with questions to ask whether it be on investment bonds, cake-making or adoptive children. Most of them receive some pretty pertinent answers in the politest and most genial manner. Counselling on radio is a growth industry, particularly on the commercial channels and at local level, and here is the way it should be done. The subject last Tuesday was *Ghosts* with Sue MacGregor in the chair and Anna Gregory, psychologist, and Andrew Green, adult education lecturer, both dedicated ghost-watchers.

It is certainly as true now, as it was when Noël Coward first stated the fact in 1938, that "the stately homes of England though rather in the lurch provide a lot of opportunities for psychical research"—and not only the stately ones according to this lively programme. There was some spine-chilling material, though nothing quite as spectacular as "the ghost of a crazy younger son./who murdered in 1351/an extremely rowdy nun/who resented it/and people who come to call/can meet her in the hall. . ."

My own ghosts are all in the mind, "the secret tribunal that sits in judgment on my life" (Cyril Connolly). But it was the view of these experts that you do not need to be ghost-minded to see ghosts; you may see one without realising that it is a ghost. That could explain a lot.

If you should be troubled by ghosts may I recommend Charles Causley's poem *Colonel Fazakerley* as a prescription for exorcism? The good colonel dealt with the ghost by boring the pants off it (if ghosts have pants, that is), offering it sherry, sustaining a front unremitting hospitality.

Like many playwrights from Shakespeare onwards Ibsen dabbled in ghosts and once wrote a whole play about them. This week, however, it was the centenary of his least phantom-like work, *A Doll's House*, still a valid parable of marriage even after the liberation of women. Radio 3 mounted a starry new production directed by John Tydeman (December 20) with Susan Fleetwood who has a voice like a mint juleep on a hot day and Ian McKellen as the insensitive Torvald.

Another major drama revival this week came on 4 in Hi-Fi Theatre with Alfred Bradley's production of J. B. Priestley's *An Inspector Calls* (December 17). Was the inspector who intrudes on the family dinner-party celebrating the engagement of the daughter of the house himself a ghost? That is the question Priestley plants in our minds by a neat time-switch in which the investigation we have just witnessed appears to have preceded the suicide that prompted it. This but one of several double-takes of chronology in which the play, admirably interpreted by a cast headed by Ronald Baddiley and Geoffrey Banks, craftily abounds.

It is set in 1912 but it was written around 1946. Priestley made the mood of complacent devil-take-the-hindmost industrial expansion, the sense of a false boom, which comes from the patriachal industrialist, apply as much to Britain at the end of the second world war as at the beginning of the first. Great chords of prophetic irony chime through the text in a way that is frightening. No wonder that, of all his plays, this has proved to be the most durable.

Earlier this year I visited Israel for the first time to attend the Jerusalem Book Fair and was impressed by the high esteem in which literature is held in that country. Mr. Ion Trewin (until his recent apostasy into publishing, the literary editor of The Times) made the same pilgrimage to an earlier Fair and while he was there began recording and collecting material for a programme about the Israeli literary scene which was eventually broadcast on Radio 3 on Wednesday, as *Voices From a Promised Land*.

It was consistently interesting and contained the seeds of half a dozen future programmes when some of the issues raised could be treated in more depth. Amos Oz, Yehuda Amichai, A. B. Yhoshua among other leading figures were interviewed in this swiftly moving survey. Perhaps the most significant point to emerge was the prevalence of poetry in Israel today. It sells considerably better than it does in England which may not be saying much. As one speaker put it, the situation is similar to that of wartime England. Poetry somehow responds to the needs of a people constantly on the alert.

Gayle Hunnicutt

Peter Pan

BY CHRIS DUNKLEY

There is impressively little evidence that Peter Pan has been rushed into the Shaftesbury to fill a gap: the only apparent lack of preparation is in the auditorium which is in chronic need of a thorough sprucing up. The show, thanks to the timelessness of J. M. Barrie's own lifelong childhood, is still as magical as ever. From the moment when the windows of the darkened nursery bang back and Peter in one of the greatest coups de theatre flies in, to the desperate fight on the pirate ship four acts and umpteen scene changes later, it is all highly satisfactory.

Moreover there are no signs that today's young audience is at all put out by the play's words, habits and attitudes although, 75 years after the first West End production, these do inevitably seem increasingly archaic. Much of the work's charm springs from precisely that refusal to concede to trendiness: threatened by the pirates the boys still stoutly sing "God Save The King," and when the tide turns and they start to win the villain snarls "I, Jas. Hook of Eton and Balliol, will set fire to the powder kegs!" As played by James Villiers with flashing crimson eyes and a really nasty waxed moustache, Hook is superbly supercilious and hateful.

This year's version is not as long as some, yet the show still has its full complement of Red Indians (with Tiger Lily in Berman's wrinkliest tights), wicked crocodile, polar bears and so on, all of whom play their necessary parts in front of the tabs while all that scene changing goes on. The result is that the main narrative does occasionally get a little lost. Still, the flying is if anything even better than usual, and any fears that an American film star might prove unsuitable in the title role are banished the moment that the wonderfully boyish Gayle Hunnicutt opens her mouth to produce tones of purest Cheltenham.

Roman dramas

BY WILLIAM WEAVER

Fifteen years ago you could have counted the legitimate theatres of Rome on your fingers (and one hand would have sufficed to count the plays you might conceivably want to see). Audiences, too, were small, conservative; it was almost impossible to lure them to a new hall or to a new company. They wanted—and got—familiar fare: Eduardo De Filippo, every year at the Quirino; Luchino Visconti with Rina Morelli and Paolo Stoppa at the Eliseo; the latest garish revue at the Sistina.

On the surface, things might seem still the same. At the Quirino Eduardo is filling the house with a revival of Pirandello's *Il beretto a sonagli*; there is a garish revue at the Sistina; and Paolo Stoppa is playing at the Eliseo, or rather, at the Piccolo Eliseo, its smaller auditorium. But, despite these survivals, the changes on the Roman horizon have been countless. Now the daily papers list dozens of theatrical events (not all could rightly be called "plays") taking place all over the city, ranging in taste from the traditional to the nutty and in quality from the excellent to the awful.

Lina Wertmuller's *Amore e magia nella cucina di Mamma* (Love and magic in Mamma's kitchen), with the stunning Isa Danieli, has finally come to Rome (I reviewed it last summer in Spoleto) and is playing in a circus tent—the Teatro Tenda—in an outlying neighbourhood. In another unlikely zone, the far side of the Protestant Cemetery, there is the Teatro la Piramide, an underground garage, home of the Compagnia Teatro la Maschera directed by Memé Perlini, leader of the avant-garde.

Last year Perlini and his troupe offered a loud, enjoyable show based, vaguely, on Wedekind's *Frühlings Erwachen*: an inventive romp in which the scenery (by Antonello Aglioti) played as energetic a part as the actors. This season's Perlini production is an Italian version of Peter Handke's *Der Ritt uber den Bodensee*, again designed by Aglioti. But designer and producer here seem to have lost much of their inventiveness. The actors yell just as loud and run about just as much, but without verve. And disastrously, Perlini allows them to speak. They are not good at it: the voices become sing-song, words are uselessly garbled and accompanied by clumsy, operatic gesture. It must be said, however, that the Roman critics, who have taken Perlini to their bosom, gave the show unstinted praise.

For bravura acting (besides the performances of the Eduardo company) one has to go to the Piccolo Eliseo, where Stoppa is appearing with the unparalleled Neapolitan actress Pupella Maggio in an Italian version of Jean-Paul Wenzel's *Loin d'Hagondange*. In Italian it is called *Lontano dalla città* (Far from the city), and the translation is by Giuseppe Patroni Griffi, who also staged the piece in a single, long (but never monotonous) act. The play, which has been seen in Germany and the Scandinavian countries, was first given at the Avignon festival in 1975. The author was then in his late 20s, and his work—a moving portrayal of an elderly couple—is all the more remarkable. Stoppa and Pupella Maggio move about Uberto Bertacca's appropriately icy, impersonal set with the unseeing habitude of two people who have spent decades together, who talk without listening, in a bewildering loneliness.

Like most Italian cities of any size Rome has his Teatro Stabile, its municipal repertory company, called the Teatro di Roma. It has been directed, not without some controversy, for the past several years by Luigi Squarzina, who is also the theatre's chief producer. He has opened the present season, at the refurbished Teatro Argentina (known to opera lovers as the site of *The Barber of Seville's* disastrous premiere), with a stimulating production of Goldoni's *Il ventaglio*, a late masterpiece, written in 1764, when the author had already emigrated to Paris from Venice.

Though set in an anonymous Lombardy, *Il ventaglio* has all the brio of Goldoni's Venetian comedies; still, as in the best of them, it has also a ground-bass of seriousness, even of melancholy. Squarzina convincingly emphasises the character of Geltruda, the wise aloof widow, the focus of the action, though she is also largely detached from it. Geltruda is played coolly, tellingly by the beautiful Ilaria Occhini. Among the other actors—whose gradations of class are subtly defined both by Goldoni and Squarzina—Roberto Herlitzka is delightful as the snobbish, sponging Count.

Forty-nine years a mole

Richard Goolden cuts the cake that celebrates the fiftieth consecutive production of A. A. Milne's Toad of Toad Hall. He has been playing the part of Mole for the last 49 years—he missed the original production which was in Liverpool in 1929 but joined the cast for the London premiere in 1930 and at 84 is still going strong.

Goolden originally auditioned before Milne for the part of Badger, but will be Mole once again for four weeks at the Old Vic starting on Monday. There will be daily performances at 2.30 and for the first time an early evening show in the first two weeks, at 6.45 pm.

TV RATINGS w/e Dec. 16

UK TOP TWENTY (viewers m)

1	Only When I Laugh (Yorks.)	16.35
1	Larry Grayson's Generation Game (BBC)	16.35
3	Blankety Blank (BBC)	16.25
4	Secret Army (BBC)	16.10
5	3-2-1 (Yorks.)	15.40
6	Coronation St. (Mon.) (Gran.)	14.95
7	The Dawson Watch (BBC)	14.90
8	Coronation St. (Wed.) (Gran.)	14.70
9	*This Is Your Life (Thames)*	14.10
10	Shoestring (BBC)	14.00
11	The Horse Soldiers (BBC)	13.90
12	Star Games (Thames)	13.80
13	*Give Us A Clue (Thames)*	13.75
13	Crossroads (Wed.) (ATV)	13.75
15	The Professionals (LWT)	13.70
16	John Denver and the Muppets (BBC)	13.60
17	*Top Of The Pops (BBC)*	13.55
18	The Racing Game (Yorks.)	13.30
18	The Muppet Show (ATV)	13.30
20	Crossroads (Mon.) (ATV)	13.15
20	Crossroads (Tue.) (ATV)	13.15

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

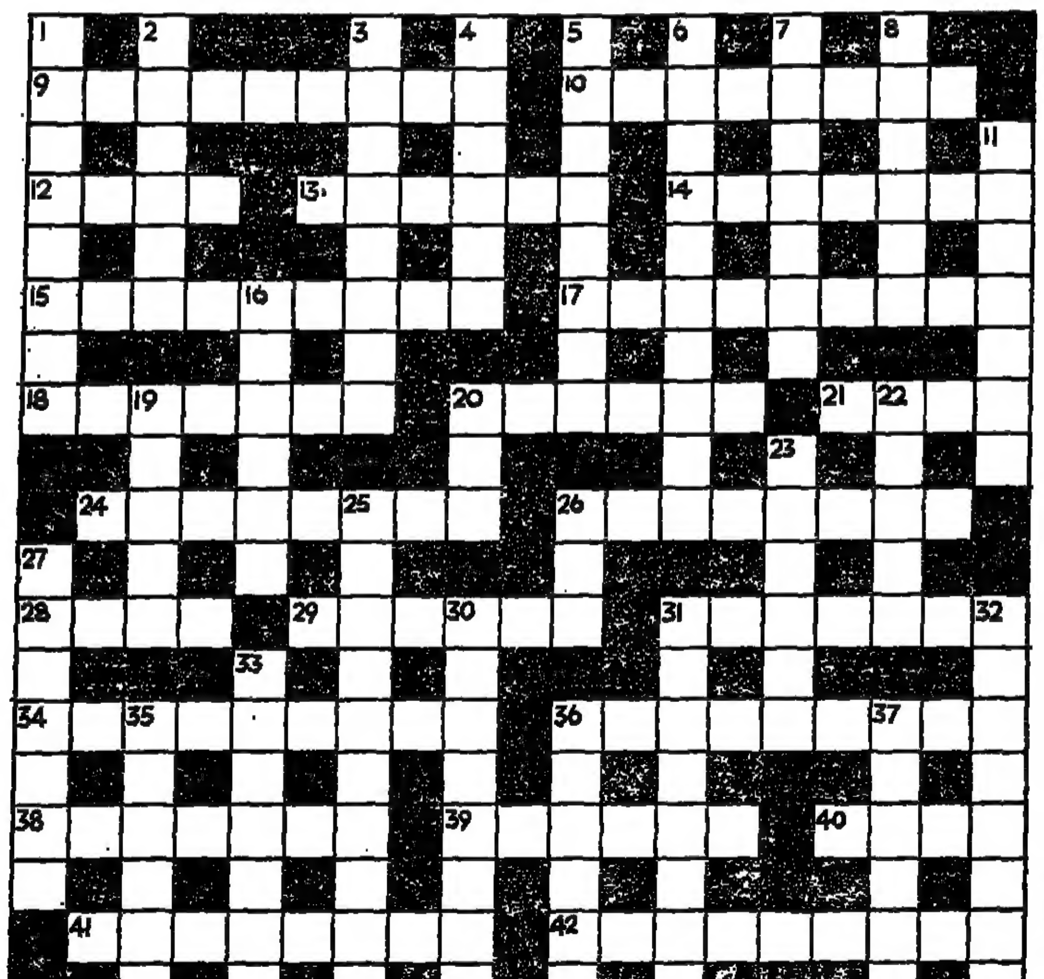
Solution to Position No. 299

1 . . . K-N2! (zugzwang) 2 R-K1, NxRP or 2 N-K2, NxQP! 3 QxN, Q-B7 ch; 4 K-R1, R-B6 or 2 P-R4, K-R1! Full credit for 1 . . . K-N1 if chosen with the same idea in mind.

Solution to Problem No. 299

1 K-K8! K-Q4; 2 K-Q7, K-K5; 3 K-K7 (also zugzwang: back to the diagram but with Black to move), K-Q4; 4 Q-B3 mate, or K-B4; 4 Q-Q3 mate. If 1 . . . K-B4; 2 K-B7, K-K5; 3 K-K7 transposes. If 2 . . . N moves; 3 Q mates.

F.T. CHRISTMAS CROSSWORD PUZZLE



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by Wednesday, January 2, marked Crossword in the top lefthand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given on Saturday, January 5.

Name ....

Address ....

....

ACROSS

9 King has to surrender after curb on officer (9)
10 One drink in the exam is new (8)
12 The bird gets only one encore (4)
13 Seven stars play quietly on the lake (6)
14 Actor's assistant found in the kitchen (7)
15 Two rivers of unknown quantities by the sound of them (3, 3, 3)
17 Queen Cole, oddly, has the power of persuasive oratory (9)
18 What man usually is before a 40 (7)
20 In a word, the French mean trouble (6)
21 The story of the commander's return (4)
24 Gaiety has a term to include it (8)
26 This year may be spoilt by emotional outburst (8)
28 Rode around on the river
29 Not often is the doctor's return concerned about old age (6)
31 The last word follows for an opening (7)
34 Frequent—with condescension? (9)
36 Rose in confusion to indicate a subject of bitter controversy (4, 5)
38 Part of an organ with fish (7)
39 Ailment keeps a youngster inside a month (6)
40 The season for a trip (4)
41 Malignity I am able to show concerning the French (8)
42 Associate who has a way to help one up on board (9)

DOWN

1 "Of his bright passage to the —" (Richard II) (8)
2 Gadget six see in the river (6)
3 Hotbead admitted and reverenced (8)
4 Occupation of a number on
5 Good bulletin from maternity ward for Mary's husband (8)
6 Undomesticated animals with inadequate persuasive force (4, 6)
7 Formation for players who are just out of touch (4-3)
8 Priest who has a bird in New Zealand (6)
11 Team in league with fire power (7)
16 Good words of grudging approval (3, 3)
19 Miss West goes round in a state (5)
20, 26 down. A month on edge may lead to malicious damage (6)
22 Chopper I order for an accepted proposition (5)
23 Don't be depressed—Teddy's out of bed (4, 2)
25 Conspicuous but not necessarily in court (2, 8)
26 See 20 down
27 This agreement may be said to be "in the bag" (7)
30 A red China may be imagining things (8)
31 Sacked a member in an explosive situation (8)
32 Clear of all charges. Heather is nevertheless annoying (8)
33 Spectacle for a short-sighted Cyclops (7)
35 Can young Peter produce music in this alley? (3, 3)
36 There's comfort when the sun gets to one (6)
37 By no means an upright

TV Radio

BBC 1

† Indicates programmes in black and white

9.30 am Multi-Coloured Swap Shop. 12.12 pm Weather. 12.15 pm Grandstand: Football Focus (12.20); Swimming (12.35, 2.00, 3.05); International Weightlifting (12.45); Racing from Chepstow (1.05, 1.40, 2.15, 2.45); Badminton (1.25, 2.35) The Ladbroke Trophy. 3.15 A Bugs Bunny Special. 3.40 "Beauty and the Beast," film. 5.10 Today's Sport.

5.15 News.
5.25 Regional News (except London and South East).
5.35 Basil's Christmas in the Country.
6.10 Dr. Who.
6.35 Christmas Snowtime Special.
7.25 Butterflies.
7.55 The Paul Daniels Magic Show.
8.40 News.
9.40 Match of the Day.
10.40 Parkinson.
11.40-11.45 Weatherman.

All Regions as BBC1 except at the following times:

Wales—5.10-5.15 pm Sports News Wales. 11.40 News and Weather for Wales.

Scotland—5.10-5.15 pm Scoreboard. 5.25-5.35 Scoreboard, round-up. 9.40-10.10 Sportscene, Two-match football action. 10.10-10.40 Scotch and Wry. 11.40 pm News and Weather for Scotland.

Northern Ireland—5.25-5.35 pm Northern Ireland News, Sport. 11.40 News and Weather for Northern Ireland.

England — 5.25-5.35 pm Regional News (except London and South East). Tom and Jerry (London and South East only).

BBC 2

1.25 pm Christmas Matinee "Cleopatra."
3.15 Play Away.
3.40 Horizon.
5.10 Something Else.
5.50 A Diary of Britain.
6.35 The Beatles at Christmas: "Help!" Film.
8.00 News and Sport, Weather
8.15 "Four Clowns," starring Stan Laurel, Oliver Hardy, Charley Chase and Buster Keaton. A look at the "silent" era.
9.50 Hinge and Bracket.
10.35 News.
10.45 Kelly at Christmas: "Anchors Aweigh." film starring Gene Kelly.

LONDON

8.40 am Sesame Street. 9.40 The Night the Animals Talked. 10.05 Superman. 10.30 Tiswas. 12.30 pm World of Sport: 12.35 On the Ball with Ian St. John; 1.00 International Sports Special: 1.15 News; 1.20 The ITV Seven: 1.30, 2.00, 2.30 and 3.00 at Towcester and 1.45, 2.15 and 2.45 from Fakenham: 3.10 International Sports Special; 3.50 Half-time Soccer Round-up. 4.00 Wrestling from Blackburn; 4.50 Results Service.

5.05 News.
5.15 Walt Disney Classics "Country Cousin."
5.30 Happy Days.
6.00 "Digby—the Biggest Dog In the World," starring Jim Dale.
7.40 Christmas Sale of the Century.
8.15 Search for a Star.
9.00 "Red Sun" starring Charles Bronson.
10.00 News.
10.15 "Red Sun" (part two).
11.15 The Secret Policeman's Ball starring Rowan Atkinson, Peter Cook and Pete Townshend and John Cleese.
12.15 Close: Andrew Cruickshank reads from "Through the Year with J. B. Phillips."

All IBA regions as London except at the following times:

ANGLIA

9.35 Play Guitar. 10.05 Kum, Kum. 10.30 Saturday Banana. 12.00 Solo One. 5.30 pm Mork and Mindy.

ATV

9.10 am Helping Hand. 9.35 Play Guitar. 10.00 Clue Club. 5.30 pm Mork and Mindy. 12.15 am Something Different.

BORDER

9.10 am Helping Hand. 9.35 Play Guitar. 10.00 Solo One. 5.15 Walt Disney Classics. 5.30 Happy Days. 7.40 Christmas Sale of the Century. 8.15 Search for a Star. 11.15 The Secret Policeman's Ball. 12.15 Close-down.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 5.19 Cartoontime. 5.30 Mork and Mindy. 12.15 Weather/Closedown.

9.00 am Bailey's Bird. 9.30 Christmas Eve on Sesame Street. 12.15 am Seachd Laithean. 12.30 Reflections. 12.35 Close Down.

GRANADA

9.40 am Helping Hand. 10.05 The Lone Ranger Show. 12.15 am SWAT. 1.15 Close Down.

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S) Concert, part 1: Wagner, Hummel, Mozart (mono). 8.00 News. 8.05 Concert, part 2: Chopin, Copland; records. 9.00 News. 9.05 This Week's Composer: Tchaikovsky (S) on records. 10.00 Young Artists Recital (S) Amon, Schubert, Bozza, Grace Williams. 10.55 BBC Northern Ireland Orchestra (S) Concert: Johann Strauss, Menotti, Falla, Ibert. 11.40 Sonatas by Soler and Scarlatti (S) Concert. 12.25 pm BBC Northern Symphony Orchestra (S) Concert, part 1: Haydn. 1.00 News. 1.05 BBC Northern SO (S) part 2: Bruckner. 2.05 The Arts Worldwide. 2.25 Children Play and Sing (S). 2.55 Music for Four Pianists (S) by Milhaud, Moszkowski, Dani, Fumagalli. 3.45 Der Golant (S) Ballet in one act by Francis Burt. 4.25 Composing Notes (S) All Our Yesterdays: arrangements of Beatles tunes: records. 5.25 Homeward Bound (S) including 5.45-5.50 News. 6.15 At Home (S): The Music Goes On. 7.10 One Pair of Ears. 7.30 Violin and Piano (S) (Part 1). 8.00 Attlee and The Labour Leadership. 8.20 Violin and Piano (S) (part 2). 9.15 The Living Poet. 10.00 Sacred and Profane (S). 10.40 Interval Reading. 10.45 Concert, part 2: Britten. 11.25 Herbert Von Karajan conducts Strauss: records (1947). 11.55 News. 12.00-2 am Test Match Special: Australia v West Indies.

RADIO 4

6.00 am News. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.45 The Seven Cream Jugs. 9.00 News. 9.05 Desert Island Discs. 9.45 Enquire Within. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service 10.45 Little Women. 11.00 News. 11.05 You, The Jury (S). 11.50 Bird of the Week. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather. 1.00 The World at One, News. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre (S). 4.10 The Werewolf. 4.40 Announcements. 4.45 Short Story. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Year (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.30 Quote . . . Unquote (S). 11.00 A Book at Bedtime. 11.15 Leo Fall. Music from Viennese operetta. 12.00 News. 12.15-12.23 am Shipping Forecast: Inshore Forecast.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 5.00 London News Desk. 5.35 Young Musicians in Concert. 7.03-5.00 am Join Radio 2.

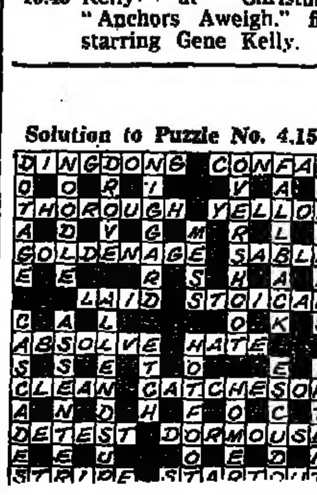
Capital Radio

2.00 am Duncan Johnson's Night Flight (S). 6.00 Breakfast Show with Mike Smith (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Headline Debate (S). 9.00 Nicky Horne's Mummy's Weekly (S). 11.00 Mike Allen's Late Show (S).

London Broadcasting

5.00 am AM with Bob Holness and Douglas Cameron. 10.00 The Brian Hayes Show. 11.00 LBC Reports with Max Miller and Alan Clark. 3.00 pm George Gale's 3 O'Clock Call. 4.00 LBC Reports. 8.00 After Eight. 9.00 Nightline. 12.00 LBC Reports. 1.00 am Night Extra.

Solution to Puzzle No. 4,157



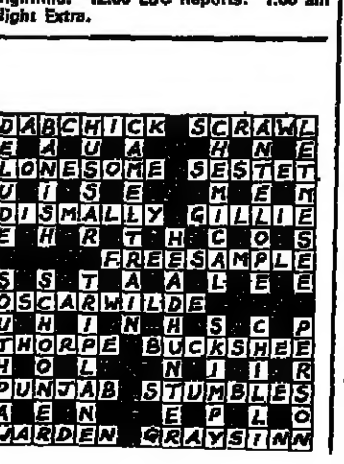
SOLUTION AND WINNERS OF PUZZLE No. 4,152

Following are the winners of last Saturday's prize puzzle:

Mr. P. Gascoigne, 418 Gillott Road, Edgbaston, Birmingham B16 9LP.

Mr. A. Hunt, 45 Haslemere Avenue, London W.13.

Mrs. V. Nicholson, 12, Westway, Fulwood, Preston, Lancs.



هكذا من الأصل

COLLECTING

Battle of the premium

BY JUNE FIELD

[R]EGRETTABLY it has been a ... when the art and antique ... has become an unsettled ... ded world, with two of the ... organisations, the ... Antique Dealers' Association (BADA), with 500 members, and the Society of London Art Dealers, about 90 strong, involved in a legal wrangle with Christie's and Sotheby's over the ... per cent buyers' premium, introduced in 1975.

The case is not expected to come to court until October, 1981, and the London and Provincial Antique Dealers' Association (750 members), has not so far thought it right to commit its limited funds towards the very heavy costs that will obviously be incurred.

LAPADA is heavily involved in a campaign against what they call "the armies of unregistered dealers who, by selling free of VAT, enjoy both a significant competitive advantage and freedom from the considerable burden of collecting tax for the Government."

This point of view is resented by those working under the VAT threshold. They consider they too have the right to belong to an asssociation with standards of professional trading, and that debarring them doesn't help the public.

Sir Frederick Corfield, LAPADA chairman, said last month at the association's annual meeting that far from being "anti" the auction houses, "they of course recognise their prosperity and ours are to a large extent interdependent." But, he added: "Nevertheless, they do represent an alternative retail outlet which competes with our members and does so on very favourable terms."

Ms. Harriet Wynter, dealer in scientific instruments in London's King's Road and editor of the BADA journal, raises the matter in *Antiques Across The World*, a "give-away" newspaper published by Michael Davis (Shipping).

"Dealers are not having an especially easy time at the moment," she said. "There is great competition for 'good' goods. Higher VAT eats into all our profits—competition from the salerooms for direct sales to the public do not help the situation."

It is members of the public who are getting more courageous and well-informed and using dealers less, buying straight from the auction rooms. Dealers account for only about half of the auctioneers' business, whereas at one time they were the dominant force.

Peter Wilson, Sotheby Parke Bernet chairman, who is relinquishing his office in February to build up Sotheby's abroad, conducting The Barlow Collection of Impressionist Paintings in April this year.

The re-emergence of the private collector is blamed, by Mr. Christopher Weston, chairman of Phillips the third largest auction firm, who held out for a long time before imposing the premium. He considers that the tendency to put money into tangibles has inevitably spurred on the private collector, who has also been encouraged by the last decade's progressive widening of the frontiers of what is considered collectable.

"With objects of the 1920's, 30's and 40's becoming legitimate collecting areas, there is re-assurance that collecting is no longer such an 'exclusive' preserve," he says.

It is not only the dateline which has brought in new fields of interest. Phillips themselves have pioneered sales of cricket, golf and tennis items, and are opening a Collector's Centre for the 1980s in the New Year. Christie's and Sotheby's with their "popular" salerooms in South Kensington and Belgravia, have brought carpenters' tools, photographs, theatrical memorabilia, writing implements, natural history and sporting trophies into the market.

The sales of the great collectors have made the headlines this season, splendidly documented by the glossy, beautifully illustrated *resumés* just out from the two major auction houses. Sotheby's *Art at Auction — The Year at Sotheby Parke Bernet 1978-79*, edited by Diana de Froment (SPB Publications/Philip Wilson £14.95), includes the magnificent collections of the late Ben Sonnenberg, New York public relations man extraordinary; Patrick A. Doheny's Greek and Roman coins bought from the major sales of the 1950s and early '60s; and Mr. and Mrs. Andrew Constable-Maxwell's remarkable collection of 350 ancient glasses, amassed over some 25 years; plus the important pieces of English furniture from Gerald Hochschild, member of the Chilean mining family, whose collection was acquired over the past 15 years mainly through the London trade.

Incidentally, a new edition of the catalogues of last year's auction highlight, the Robert von Hirsch Collection, has just been published in four volumes showing prices realised and the names of the museum purchasers, plus a fifth volume, *The Collector, his House and Bequests*, which records the works not sold at auction. It is £85 complete, including postage, or volume 5 alone, £18, from Sotheby, 34-35 New Bond Street, London W1.

Christie's Review of the Season 1979, edited by John Herbert (Studio Vista, £15) one of the most salient book auctions in history, includes the sale of part of Arthur Houghton's library, and his pictures from the modest suburban home of a Swiss textile manufacturer Hans Mettler (1876-1945). These made "extraordinary prices," and the review says: "It was neither art dealers nor museums that dominated his sale, but rather discerning *amateurs* who will continue to enjoy his pictures."

BOOKS

My Worst Christmas

Competition Report by **Anthony Curtis**, Literary Editor

Competitors in our Books Page Competition were asked to describe, in 20 lines of verse or 250 words of prose, their worst Christmas. It proved for many all too easy to do just that. We are grateful for the bulging postbags of misfortunes that have made access to the book room these past weeks even more difficult than usual. Entries poured in from locations as diverse as Massachusetts, Prague, Istanbul, Israel, Malta, the Isle of Man, not to mention, Gwynedd, Norfolk, Cheshire, Co. Down and many London postal districts.

I was trying to think as a yardstick of a description of a really dreadful Christmas in literature when my son came up with Stephen Dedalus's Christmas Day—a violent political family row—depicted by James Joyce in *A Portrait of the Artist as a Young Man*. Most contestants set down more convivial, but equally distressing, scenes of family reunion.

"Could seasonal goodwill be mor[e] uncouth?" asked Peter Youn[g] of Crawley, Sussex.

"Than Arthur cracking
Brazils with his tooth
While Vi—she looks and
smells like a barrel—
Entunes through her beak a
bawdy carol?"

The theme of over-indulgence [wa]s taken up by several other competitors. Mr. K. A. Woodward of Worksop, Notts., for one:—

"We effervesced through the smoked salmon. One might have wondered if any drink could rival champagne. Such theoretical issues seemed unimportant at that moment, though a challenge had been previously offered by a '71 Margaux. More than one bottle, in fact, though intoxication might have doubled their number in my befuddled vision. The sun had set on what appeared to be a choice between a Christmas pudding and Château d'Yquem—or so it was reported."

That didn't sound at all a bad Christmas to me.

Other competitors found Christmases that stayed in the mind were when they had been victims of under-indulgence. "Short rations are spread thinly to best / Pretend abundance," recalled Mr. Alan Bartlett of Ashford, Middlesex, in a poem about wartime Christmas as a child.

* * *

Mr. Jack Rendle remembered a searchlight site in an East Anglian field in 1942 where no one present knew how to cook turkey until the Detachment Commander "found an old dog-eared recipe book" and "ordered the cook out of his cookhouse." "She carved the turkey filigree thin," wrote Mrs. Elizabeth Orpwood of her hostess. Others told of plentiful but uncongenial dishes. Annabel Adcock (aged 10), on a Christmas visit to Australia (where, I regret to report, several competitors' worst Christmases have been spent) wrote: "Lunch was wallaby soup and roasted kangeroo—'Dora's special!' Afterwards I dashed behind a rock to be sick." Ruth Delaney (12) remembered a perfunctory Christmas one year in Nigeria. "When I went downstairs, to my astonishment one small wreath of silver-balls hung pathetically in the drawing-room." Adult contestants spending Christmas abroad had some sad memories too: Gareth Howell, hard-up, dining off oeuf dur mayonnaise in the Deux Garcons Café in Aix where "the silence was deafening" or Mike Mirecki on a Yugoslav speciality called Cevapcici in a desolate Viennese Metro station.

Pierre A. Williman in ice-bound Canada ran towards the restaurant at a run "but never reached my goal. I spent the next few weeks in extension at the hospital with Judy to look after me." Edgar Miskin slipped, too—in Bangor as part of his college's Mountain Rescue Team:

I slid down two feet coming to rest with the toes of my boots resting on a tiny knob of rock. I was incapable of moving in any direction. Number seven meanwhile was resting safely. Thus we remained, soaked through, for the next six hours in total darkness and gale.

Cassie Gaisford's worst Christmas memory went back to 1930 to "a sparsely furnished room of the only hotel in a small up-country town, a two day's journey from medical help" tending her sick husband; a tropical tale to make even Mr. Maugham blench.

Kevin Kenny put the woes of an Air crew Christmas in Rome into Kiplingesque verse:

Well Christmas in Rome
It inner like 'ome
Especially in hotels there
Room service is none
The waiters have gone
With the booze and the food
and the cheer . . .

Others dredged up grim memories of Christmas at sea. Here is Dr. Philip Stone, serving on a small survey vessel rolling, and pitching through a Southern Ocean gale:

Pudding and plate soared skyward, the latter descending square upon the recumbent steward's nose. He cursed unseasonably and spouted blood about the cabin by way of completing the decor. I rushed to his assistance, slipped on the slime, crashed to the deck and crushed the plum pudding. The steward and I wallowed in the mire.

Robert Farrington had another horrendous nautical yarn of a shoot-out.

But perhaps even this was a better fate than that of Vivienne W. Painter who mislaid Christmas Day completely while flying across the International Date Line.

As a multitude of entries testified you do not need to spend Christmas abroad to have an unhappy time. Mrs. Barbara Green speaks for many in deploring the modern festival:

Media-tainted annual greed
Makes mock of simple stockings.
Toys received are soon neglected
Gratitude eschewed!
Should have served some wholesome food
Gorging richness hour by hour:
No exercise, no clear fresh air.
Merely bloated sleep.

Mr. Richard Flemington arrived in the Lake District for a hotel Christmas to find the cook was drunk, and "local ladies who 'helped out' retired on the spot . . . . As for the manager, he loped about, neck jerking like a chicken's, a ghastly mask of pseudo-calm frozen on his face."

Charles Croot produced a catalogue of disaster journeying between two grandmothers: the car was damaged, the children were sick, the central heating broke down and the house was burgled.

Sudden illness was a recurrent motif—both that of oneself and of a relation or spouse who requires constant attention; also dental problems at a time when every available dentist had "apparently emigrated to Bermuda, Majorca or Torremolinos" B. J. Cain explains:

Toothache is no joke at the best of times, but when all about you are gorging themselves silly on all the most exotic foods, wearing paper hats and getting the girl next door — 38-24-36 — into the nearest dark corner, with or without the benefit of miseltoe; it is unbearable. There was, however, one major consolation. Because after the first hours of agony I had run out of asprin and the nearest chemist open appeared to live in Welshpool or somewhere equally inaccessible, the only anaesthetic available was alcohol.

Mrs. Mary Borrows had her Christmas spoiled by a cow, I mean a real cow . . . . "we noticed that Lavenham Welcome, one of our pedigree Friesians, was showing more interest in her own 'season' than our festive one." Others told of Christmases darkened by death, financial straits or marital breakdown.

Mr. R. E. Balaam struck a peculiarly chill note:

When we'd got to the nuts and the Broadcast.
With an apple-log fire on the hearth.
Our solitary, lonely old neighbour
Was slashing his wrists in his bath.

Many—far too many to quote from—had harrowing memories of wartime Christmases such as that of Hermione Ellis who vividly remembered entertaining some Russians to lunch in 1943 while waiting to hear whether her brother had survived the Blitz in Plymouth.

Others like Miss Penelope Cammiade showed that it does not need a war or even any obvious disaster to turn Christmas sour. It can go subtly wrong from the start:

My hostess must have had a premonition, eventually; she opened the door.

"Oh," she said, "it's you."

Her face was oven red and there was brandy butter in her hair.

"Go and talk to the others," she commanded, and vanished.

Or Jane Johns:

Newlywed, we had invited our widowed mothers to share our first Christmas together, but soon after their arrival on Christmas Eve I realised it had been a mistake. Straightaway, the two of them launched into a gruesome game of one-upmanship, and before long it became obvious that all they had in common, besides us, were grey hair, spectacles, and a firm belief that they were right.

There was a gratifyingly large number of contributions from younger readers almost equally divided between boys and girls. Nice examples of good handwriting from Victoria Mortimer, Sarah Prew. The fear, or threat, of not receiving presents was a recurrent theme. "Sorry children," came the reply," wrote Stewart Johnston (11), "'we just couldn't afford it, what with getting a new car, we just didn't have the money.'" Julia Wyllie (8) had a happier ending to the no-presents story. "Perhaps Santa's reindeer are ill or has lost his boot," she wrote. "Oh, dear, the truth is that Mummy and Daddy got up late." The possible indisposition of Father Christmas also worried Jane Davey who at five was the youngest competitor.

Several children who had better remain nameless wrote vivid accounts of how their parents were too drunk to perform their seasonal duties adequately. Or as Katie Bushby (17) put it in her poem:—

Satiety—the end of the turkey
Can be seen in langorous expressions
As sleep prevails—"Take me to bed but don't bend me"—
The ritualistic jokes.

The poem by Alison Clare Blakey (17) was summed up by its title, "You Died, But You Have Not Gone"—a sentiment shared by several adult competitors. Susie Dufort (16.11) imagined the Gestapo bursting in on some underground workers kneeling around a crib; Matthew Hunnybun (16) described a shattering Christmas during a desert war and Graham Evans-Prosser (16) recalled his sister's nativity in a manner reminiscent of the poet William MacGonegal:—

I fought the cold in a married quarter;
When to my parents arrived a daughter!
Having a sister seemed fun to me,
But a grave mistake as I was to see.

I shuddered at a searing account by Edward Davey (8) of a Christmas stocking filled with stones. . . . But enough of quoting which could go on for ever. The moment has come to award the prizes.

In the adult class the first prize of £50 goes to Mr. L. Evans for his cunning Le Carré fantasy, and second prizes of £30 each to Muriel Lamb, Miss O. M. Swingler and Mr. T. W. Evans. In the schoolperson class Mary K. Lawlor wins a first prize of £40 for her striking account of an austere American Christmas and a second prize of £20 to Julia Ryder.

Dare I, after that, wish you all a very Merry Christmas?

* * *

First Prize
CHRISTMAS DAY AT THE CIRCUS

Christmas Day, Cambridge Circus deserted. Yesterday's snow, grey slush in the gutters. In my room, the smell of turkey sandwiches combined with stale tobacco fumes.

As holiday duty officer, I was nominally in charge of the "Circus." Control had personally selected me, wished me "Merry Christmas" and cautioned me against on duty drinking.

I must have dozed, opening my eyes I found a cypher girl in the room. It recalled my last term before going up to Trinity. Matron sneaking into the dorm.

"Moscow Centre sir, heavy traffic."

I came back to reality. "Well Delphine, they don't observe Christmas, you know."

"It's Mr. Tomlinson," her voice broke.

I grabbed the Forms London Interception Executive from her. Yes, the Moscow operation was finished. Tomlinson, our man in the Kremlin and art adviser to the politburo, had overplayed his hand. Recommending purchase of a Keating Michaelangelo.

Should I inform Control? No, by now he was drinking my sherry and opening the presents with Anne.

Downing Street, then? No. Nothing to her.

"Get me Sandringham!"

Pressing the scrambler button, I blurted my story. A cultured, wardroom voice answered.

"Sorry old chap, can't help. We've a flap on ourselves. We've been infiltrated again. A Corgi, in its kennel with a Borzoi."

"A dog?"

"Two dogs actually. Both animals were male."

"Typical."

"Yes, mother's terribly upset. Couldn't go through with her Christmas broadcast."

"That was their objective then. Clever. Err this Borzoi think we could exchange it for Tomlinson?"

L. Evans.
5, Heath Avenue,
Cowslip Estate,
Penarth, South Glamorgan.

Second Prizes
MY WORST CHRISTMAS

Gathered around the Christmas fire, no, I lie at the start of my saga:
Fuel we'd none for a Christmas fire — we were gathered around the Aga.
In the window bay the table was laid with a fine gargantuan spread;
Mince pies, trifle, jelly and cake, and numerous kinds of bread.
Truly wintry weather prevailed, with pitiless wind and sleet,
And snow that had lain for days and days to a depth of several feet.
While we talked about this and that, and the terrible price of gin,
There came drip-drop on the glass bay-roof: the Great Thaw had set in!
We heard the thumps and we heard the slumps, as the snow slid from the tiles,
"An end of the fearful freeze," we cried, with our faces wreathed in smiles
But the slumping turned to lumping, then came a most terrible break!
The bay-roof smashed and a six foot length of guttering lay embedded in the cake!
We ran for ladders and polythene (and bricks to hold it down);
No builder will work on Christmas day in this or any town.
Sleet slopped in, and a glass dropped in, and gobbets of melted snow;
Buckets and bowls and a bath were placed to catch the awful flow.
We each took turns to sit up that night lest the bowls too full should be,
And each of us felt like King Canute, trying to stop the sea!
So that was the very worst Christmas that ever came our way,
For we were empty, the dustbin full, of food, on Boxing day

Muriel Lamb.
44, Portland Road,
Leicester.

MY WORST CHRISTMAS

"Do come for Christmas."

"Elise, dear, I can't. The dog. . . ."

"Bring him too."

"But Teddy would never permit . . house and garden you know."

"He will, I promise. Only come and inject some Christmas spirit into us."

"But the distance . . . we'd probably arrive late for 1 o'clock lunch."

"Marianne, I need you—*please*. . . ."

Accordingly, two sisters and a dog drove southwards at 8 a.m., and meeting with inevitable delays arrived at 1.25. Boob No. 1, instantly followed by No. 2. Bimbo slipped his collar, charged the garden furiously invading the house before our host's decree banished him unconditionally. My coat was hurled onto the staircase and we were hastened onwards to a meal already begun.

Elise, obviously embarrassed, introduced two other guests whilst tepid servings on too-small plates nearly choked us.

"Red or white?" asked Teddy. (No champagne, though he had recently sold out for £3m.) "Oh, I know you all like white." However, two can play. The red was still unopened, so chirpily I replied "Claret, please." One sensed suppressed rage.

"More turkey?" Slyly I accepted (the others having refused) thereby holding up progress and maddening "Olemeanie" further by omitting the pudding and later imbibing three liqueurs.

Two days and two freezing nights dragged by, radiators being turned off at 10 sharp. Secretly bedroom fires burned nightlong, thus inducing oblivion and restoring circulation. Whenever possible we joined Elise by the Aga for a comforting hate session, or took Bimbo for a quick sprint.

Day three spelled liberation and home—to a total freeze-up!

O. M. Swingler.
The Old Castle,
Studley, Warwickshire.

OUR DARKEST HOUR

Silicon chips, higher Rates, mean fewer jobs, feed Union "hates,"
Ratepayers, with heavy groans, try to pay for dearer homes,
Charges grow, Gas, Coal, and light, worried users fear the night.
Sham workers sleep, outputs decline,
What a rotten Christmas '79!
Party workers True and Blue, stiffen lips and raise their Clubs,
To pay, again, for Labour's sins,
Pray God Sir Geoffrey Howe is right as Unions brace themselves to fight.
Our Export figures still decline,
What a rotten Christmas '79!
The EEC Club raise their fees,
Britain almost on its knees,
(our lambs refused, our fish depleted)
but, please God, not yet defeated.
Whilst false Costs, envy, greed maintain the index-linked Mite,
the average patient Briton hopes this system to defeat,
and never will let pass out from his mind,
This rotten Christmas '79!

T. W. Evans.
"Dove[...]bourne,"
1, Clifford Road, Poynton,
Stockport, Cheshire.

* * *

First Prize (for those at school)
MY WORST CHRISTMAS

The morning was frosty clear. I eased into the thick wool dress and lit a candle against the greyness. There was much work to be finished before meeting, for today was Christmas and the minister would lengthen his homily. Mother was bent over the hearth, pushing logs into the embers. The meager rush of warmth was welcome: my hands could not be stiff to card the great heap of wool. First greasy and snarled, it became smooth in the wire teeth of my carding board, then fluffy in my practised fingers. I walked the three cold miles to meeting alone, my mother too sickly to attend. The forbidding sermon deepened the gloom of the meeting house, but I forced myself to concentrate on the minister's nasal drone. My head ached with worry still. There was yet the meat to be prepared for our simple evening meal, the pewter to be scoured and the winter's soap to be made. I stirred the lump mass of soap in the great kettle; eye-fumes stinging my eyes. I did most of the chores: work unending. I thought about it being Christmas and wished so much for brothers and sisters and merry laughter and warmth and love. We'd prepare a feast of good food and pray a special prayer to Jesus thanking Him for our happiness. Then mother would read to us from the Bible about how Jesus was born and how angels came to praise Him. But I could only dream.

Mary K. Lawlor (15),
Xaverian Country Day School of the Sacred Heart,
172 Adams Street,
Milton, 02186, Massachusetts, U.S.

Second Prize

MY WORST CHRISTMAS

I suppose the trouble started when my dad walked out on mum, me and my little sister. At this time my sister was three but he walked out in February and my sister was four in April. I took over mum's job and mum took dad's working. In the summer I got a part-time job.

We survived, just about, for birthdays but Christmas seemed an impossible obstacle.

I came up with a solution. I told my mum, and sister, I had a job, but I had not. I began to shoplift.

The first time I stole was just a small item. It was a ring; it cost 30p. I thought it was just what my best friend wanted. Then it was pad of paper and pens for my sister. After that I never stopped stealing but I made sure I never stole from the same shop twice.

My mum kept on asking me what my job was. I could not trust myself to tell her much, so I simply replied: "You would not approve." Well, this was not exactly a lie as she would not approve. All the same I felt guilty.

This stealing went on until December 24. Everyone loved my presents, but at eight o'clock in the evening a policeman called. My mum answered the door and called me.

He talked to me a bit at home then he took me, just me, down to the station. . . .

Julia Ryder (12),
James Allen's Girls' School,
East Dulwich Grove,
64, Malmains Way,
Beckenham, Kent

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000

Saturday December 22 1979

A season of cold cheer

"A COLD coming we had of it," as Eliot's Eastern king put it; and it would be idle to pretend that the present prospect is much more attractive than the one which the Magi saw on their winter journey. The view is bleak, and the lie of the land is hard to discern. The only realistic ground for comfort is that the journey has to be faced, and that we can continue to hope that at the end of it, like the Magi, we will find a temperate valley. We are at least on the way, which is more than could be said when the year began.

Incomes restraint

During 1979, in fact, we have slowly and reluctantly been brought to face reality. As the year began, a minority government was trying to maintain the fiction of incomes restraint, which quickly collapsed amid scenes so discreditable that some militants seem subsequently to have been shamed into rational behaviour. In an effort to save something from the political wreck, the government abandoned the fiscal restraint which had brought us so far from the abyss of 1976, and by the time Mr. Callaghan rightly lost the confidence of the Commons, we were visibly sliding back into it. The election brought a radical change indeed, but Mrs. Thatcher's government has taken some months to get the measure of the task it has undertaken. The best news is that, after seven months, this re-education seems largely complete.

The truth does not make the task any less formidable. Lord Carrington's virtuoso diplomacy have averted a major crisis in southern Africa: the encouraging message of Lancaster House is not only his skill in negotiation, but the evident determination of all parties to find some sort of accommodation. The Middle East, on the other hand, appears no less threatening than when the Iranian revolution first toppled its precarious stability. Militant and largely irrational religious enthusiasm is a threat which finds Western diplomacy largely at a loss.

Misleading

As a result of the turmoil oil prices have rocketed in the year, with results which according to the OECD have probably destroyed the prospect for any economic growth in the developed world this year, threaten grim problems for some of the developing countries, and have already shaken confidence in the international banking system. Only gold speculators have prospered.

There can be little hope, then, that the universal forecasts of recession will prove wrong this time. Earlier predictions in the U.S., which proved false, turn out to have been based on misleading measurements of money and credit, and there is much debate on how far our own monetary figures are distorted at present; but flat retail sales, falling business confidence in many countries, and determined anti-inflationary policies by many governments, leave little room for any other outcome.

This is not a despairing forecast, for two reasons. First, some of our current problems will be eased by recession. The oil price, according to both Saudi and OECD forecasts, may be one of the earlier indicators to respond to falling demand. Wage pressures may reflect events more slowly, but already the grim outlook has checked some expected displays of militancy.

It must also be remembered that a recession suffered in the cause of checking inflation does not seem, from recent experience to be a deep or obstinate problem. Once inflation itself begins to respond, the forces of recovery gather force with little prompting from Government policy, as interest rates ease, security values recover, and real incomes, after a dip, become more secure. Some of our worst domestic troubles in recent years have arisen from excessive fiscal "stimulus" in an inflationary situation; the only results have been higher interest rates and a large deficit on the balance of payments. Official borrowing helps the economy only when there is a deficient private demand for credit; nothing could be more unlike our present problems, as the Government now fully realises.

Positive decisions

Government policies are now firmly directed towards the two means by which we can in the end hope to improve our performance: sound finance and structural change. Although the initial consequences look highly negative, and investment may need some encouragement, as the OECD suggests, there is no other route. Some more positive decisions are beginning to appear — the long-delayed decisions on nuclear power and on airport development, and support for a last-hope restructuring of British Leyland, are two examples. In the next few weeks we can hope to see a change in monetary management, which could make the system less expensive and less prone to crises, a White Paper on public expenditure reflecting a strategy rather than a tactical flurry, and, it is much to be hoped, a statesmanlike attempt to resolve the bickering in the EEC. All in all, grounds to hope that next Christmas may be much less unpromising.

LEADERS AND LAGGARDS ON THE LONDON STOCK EXCHANGE

The 1970s: few winners in the table of honours

BY RICHARD LAMBERT

THERE HAVE been a lot more losers than winners in the stock market during the 1970s. The cult of the equity, which had sustained so many paper fortunes and reputations in the late 1960s, shrivelled up and died before the new decade was four years old. And its passing has brought a fundamental reappraisal of the value of ordinary shares.

In January, 1970, the FT-Actuaries 500 Share Index yielded just under 4 per cent, and stood on a price earnings ratio of nearly 16. And that was at a relatively low point in the stock market cycle. At the bull market peak in 1972, the average yield was down to just 3.1 per cent.

Today, in marked contrast, the 500 Share Index yields 7 per cent, and the p/e is just over 6½.

There are several explanations for this change, and most of them are to do with inflation. Over the decade, the Retail Price Index has risen by almost 220 per cent. Share prices have trailed way behind: the 500 Share Index is up by about three-fifths, while the 30-Share Index has scarcely moved at all.

Cushioned impact

High inflation has been accompanied by high interest rates, and the result is that the yield on long-dated gilts has risen from around 9 per cent at the start of the period to the current level of more than 14½ per cent. The impact of this increase on share prices has been cushioned to some extent because in an inflationary climate investors are prepared to sacrifice current income by buying equities—with the hope of securing a rising stream of dividends in the future—rather than fixed interest securities. Accordingly, the gap between the yield on shares and that on bonds has widened considerably since 1970.

But at a time when Minimum Lending Rate stands at 17 per cent (compared with a Bank Rate of 8 per cent at the start of the decade), yields on equities have risen to historically high levels. Moreover, the Government's growing funding needs have squeezed ordinary shares out of the stock market lime-light. In 1969-70, the Government was a net buyer of gilts, and the net purchase of gilt-edged securities by pension funds and insurance companies in 1970 was just £54m. Last year, the figure was nearly £4bn. The institution's net investment in company securities over the same period rose from £740m to £2.1bn.

The falling status of ordinary shares has not just been the result of an upheaval in financial markets. In the real world, all has not been well with British industry. Back in 1970, you could (if you really wanted) buy shares in Rolls-Royce, Alfred Herbert, British Leyland, BSA and the grand names of the shipbuilding industry. The shipbuilders moved into State hands for political reasons, but often just in the nick of time from the shareholders' point of view. BL is the only one of these once great companies which is still traded on Throgmorton Street, and nearly all its equity has been provided by the taxpayers. Its share price has fallen further than that of any other company which has not actually gone bust.

These businesses are the victime of a long-term decline in UK company profits. This started more than ten years ago, and shows no sign of a let up. One measure is the declining share in net domestic income taken by "real" profits (that is, profits after taking out stock appreciation and capital consumption at replacement cost). Today it is down to roughly half the 14 per cent or so of the early 1960s.

Another yardstick is the "real" rate of return on trading assets. Excluding North Sea activities, the pre-tax return fell from 12.5 per cent in 1964 to 8.7 per cent in 1970 and 4.7 per cent in 1978. No wonder share prices have been unstable.

Some business groups have been able to withstand these pressures better than others. An analysis published this week in the Bank of England Bulletin suggests that whereas manufacturing sectors like textiles, shipbuilding, vehicles or metal manufacture appear to have been losing money in real terms in recent years, other businesses—like retail distribution—have managed to show real returns of the order of 10 per cent. Generally, the distribution and services sector have consistently shown better returns than manfacturing industry.

This is not surprising. Compare, for instance, the characteristics of a supermarket group and those of a heavy engineer. One might turn over its stock a dozen times a year and be able to adjust its prices monthly: the other might only turn its stock over twice a year, in which case inflation would pose a serious threat to its working capital needs and make pricing very difficult. Again, the supermarket would be relatively immune to growing international competition, quite unlike the engineering group. This has been particularly important in recent years, when the rise in sterling has helped to boost imports in a number of price sensitive areas and has made the exporters' job more difficult.

In addition, trade unions tend to have a more powerful voice in manufacturing industry than in the retail trade. And while manufacturers have been struggling with a desperately poor trend in productivity in recent years, retailers have been able to capitalise on what have been remarkably firm business conditions for much of the decade. Annual growth in real disposable income has been running at nearly 3 per cent during the last 10 years, which is slightly higher than in either of the two previous decades.

THE TEN-YEAR LEAGUE TABLES

TEN YEAR WINNERS: COMPANY NAME	% CHANGE	FIVE YEAR WINNERS: COMPANY NAME	% CHANGE	ONE YEAR WINNERS: COMPANY NAME	% CHANGE
1) Time Products	3,490	1) MFI Furniture	10,167	1) Brown & Jackson	382
2) Burnett & Hallamshire	2,440	2) Brown & Jackson	5,733	2) Premier Cons. Oil	214
3) Ldn. Sumatra Plantation	2,433	3) Lee Cooper Group	4,500	3) Oil Exploration	212
4) Lee Cooper Group	2,335	4) Utd. Scientific	3,490	4) MFI Furniture	183
5) Dixons Photographic	2,178	5) Farnell Elect.	2,812	5) LASMO	172
6) Brent Chemicals	1,843	6) Burnett & Hallamshire	2,758	6) Carless, Capel	164
7) Diploma	1,582	7) Brent Chemicals	2,118	7) Gibbons Dudley	150
8) Racal Electronic	1,528	8) Avana Group	2,100	8) Sunley, Bernard	131
9) Pentos	1,360	9) Electrocomponents	2,000	9) Cawoods Holdings	124
10) Electrocomponents	1,311	10) Tricentrol	1,966	10) Burnett & Hallamshire	122
11) Costain Group	1,290	11) Oil Exploration	1,885	11) Home Charm	120
12) Berisford S. & W.	1,211	12) Comet Radiovision	1,773	12) Lee Cooper Group	109
13) Fisher, James	1,143	13) Hunting Ass. Inds.	1,758	13) Ultramar	107
14) BTR	933	14) Home Charm	1,754	14) Consolidated Goldfields	107
15) Assd. Dairies Group	896	15) Ldn. Merchant Sec.	1,652	15) Burmah Oil	105

TEN YEAR LOSERS: COMPANY NAME	% CHANGE	FIVE YEAR LOSERS: COMPANY NAME	% CHANGE	ONE YEAR LOSERS: COMPANY NAME	% CHANGE
1) BL	−97	1) BL	−72	1) BSR	−63
2) Dunlop	−66	2) Gestetner 'A'	16	2) Acrow 'A'	−51
3) Birmid Qualcast	−65	3) Renold	17	3) Bridon	−45
4) Town & City Props.	−62	4) Mitchell Cotts	31	4) Carrington Viyella	−45
5) Renold	−60	5) Bridon	37	5) Vickers	−44
6) Gestetner 'A'	−59	6) BSR	39	6) Staveley Inds.	−43
7) Burmah Oil	−58	7) Courtaulds	40	7) Renold	−42
8) EMI	−48	8) Johnson Firth	42	8) Minet Holdings	−42
9) BSR	−46	9) Reed Int.	42	9) Gestetner 'A'	−41
10) Courtaulds	−46	10) Manchester Liners	42	10) Coral Leisure	−39
11) LRC Int.	−45	11) BICC	55	11) Johnson Firth	−38
12) United Dominions	−43	12) UDS Group	58	12) Tootal	−37
13) Laporte Inds.	−43	13) Lonrho	59	13) Courtaulds	−37
14) Plessey	−42	14) Tate & Lyle	63	14) Alcan Alum. (UK)	−37
15) Bowater Corp.	−42	15) Burmah Oil	64	15) Rolls-Royce Motors	−36

Source: Datastream

These patterns have been faithfully reflected in share price movements on the Stock Exchange. The worst performing sectors in the stock market during the 1970s have been textiles, motors and distributors, and household goods (including such companies as Hoover, Carpets International and Wedgwood). These three indices have actually fallen in money terms, and the businesses have in common an intense sensitivity to price competition in both home and export markets. The same applies to packaging and paper, and to mechanical engineering, two other poor performers.

Stock market differences

Share prices in these sectors have also performed badly in the second half of the decade and particularly during 1979 when it has seemed as if there were two stock markets, moving in opposite directions. One for manufacturing industry, and the other for everything else. Household goods, textiles, pharmaceuticals, engineering, packaging, construction — all have been through a lean phase, and have registered falls of up to 30 per cent. Meanwhile, food retailers, brewers, and some of the financials have been steaming firmly ahead.

During the decade the best performing industrial sectors have been food retailing, newspapers and publishing (thanks in good measure to North Sea oil interests) brewers and electricals. The latter grouping is dominated by GEC, the company which has probably tackled the problems of poor productivity and inefficient financial management more successfully than any other major force in British industry.

In the league table of individual shares, which is based on companies with a stock market value of more than £20m, the really depressing feature is the number of household names at the bottom of the list—all showing substantial share price declines. Two of the laggards, United Dominions Trust and Town and City Properties, represent the walking wounded of the 1974 financial crash. Burmah Oil was another company that nearly foundered in that grizzly bear market, and which has since clawed its way back to viability. It has been one of the best performers in 1979.

But just about all the rest of the laggards are major manufacturers from the heartland of British industry. When companies like Courtaulds, Dunlop, Bowater, BSR or Birmid Qualcast are on the stock market's sick list, the implications for the economy as a whole are bleak.

Even without considering BL—a special case in every sense of the word—the 14 companies at the bottom of the list had nearly 400,000 employees in the UK at the last count. A few years ago the numbers would have been much higher, but many of these companies have been shedding labour in a big way in the last year or two. The top 15 in the 10-year table, on the other hand, employed less than 60,000 between them. Nine of the companies are involved in distribution in one way or another, including the star performer—Time Products, which is a classic success story of the 1970s.

The company is involved in the wholesale and retail distribution of watches, jewellery and related goods. It handles, among others, the Sekonda and Limit brands, and its associate interests include a very profitable manufacturing and distribution business in Hong Kong. Between 1973 and 1979 its shareholders' funds rose from £1½m to £19m, and you could not find a much better example of a business which has been able to flourish at a time when imports and consumer spending in the UK have both been increasing, and when the rise in productivity in the Far East has been putting UK manufacturers to shame.

Impressive success

This business background makes the success of the two manufacturing heavyweights on the list—Racal and BTR—look all the more impressive. Pre-tax profits of Racal totalled £1.7m in 1970: this year, they could be nearer £65m. Much of this growth has been generated internally, and during the course of the decade, the company has significantly increased the proportion of its non-military sales. Turnover last year amounted to £225m, of which 75 per cent went outside the UK (including £107m of exports). Racal's last interim figures showed signs of faltering—inevitably, perhaps, since at its recent rate of compound growth it would soon have been too big for all of us.

BTR's success has been built around a highly successful programme of acquisition. It has identified a number of small businesses with strong market positions, and turned them into money spinners.

The five-year tables are distorted because the period started at the depths of the worst bear market since the war. But the general impression is just the same—distributors at the top, manufacturers at the bottom.

As for 1979, this has been the year of the energy stock in London—and the same is true of most other stock markets in the world. There is a rich tang of the North Sea running right the way through the top 15. The laggards include many companies which have been knocked for six by the strength of sterling and increasing competitions in international markets—including a number of former high flyers like Acrow and Minet.

But of course the big winners of the year—and the decade, for that matter—have not featured in the UK sector of the stock market at all. In January 1970, the price of gold in London was still firmly pegged at $35 an ounce. By the end of 1974 it was up to $156, and although there was a sharp correction in the next couple of years, the price has again been powering ahead. In the last week or two, it has been approaching the $500 mark.

Despite the disappearance of the dollar premium, many gold shares have doubled in 1979. And on an ex-premium basis, the FT Gold Mines Index has risen by over 700 per cent since 1970. That is as good a barometer as any of the economic climate in the period.

Letters to the Editor

Third airport

From Mr. Alan Cornish

Sir,—May I draw to your attention a serious error of fact in some of the reasoning behind the selection of Stansted as London's third airport?

It is said to have direct motorway access to east London. This is not so. The M11 at present extends towards London only so far as South Woodford.

A motorway-standard road is scheduled for start 1982-83, to run from "The Green Man" at Leytonstone, in to Hackney Wick, where it would link with the East Cross Route (A102M).

However, between South Woodford and Leytonstone there is a "missing link" in the M11 connection between Stansted and London. That "missing link" is at Wanstead.

Current plans for this section comprise upgrading of the existing road to dual trunk standard, retaining two sets of traffic lights within a quarter mile. It amounts to a formula for traffic chaos. Even on the old official traffic estimates of only 4m passengers at Stansted, this section of road would, when "improved," have a reserve capacity for its design year of minus 17 per cent.

The design year for this "improvement" is 2001 — the date by which Stansted's traffic may now rise to no less than 50m passengers per year.

Through your columns, may I therefore ask the Secretaries of State for Transport, and Trade, to look again at this situation, and to complete this Wanstead "missing link" in the M11 to proper motorway standard — in accordance with the wishes and plans proposed by local residents?

Alan Cornish.
Liberal Parliamentary Candidate, May 1979 General Election, Redbridge (Wanstead and Woodford).
21, Tennyson Avenue, E11.

Yardley Chase

From Mr. Laurence Dewhurst

Sir,—It is clear that the Study Group on South-East Airports have not been able to give the attention to the new sites that they have lavished over the years on Stansted. I suspect that the Study Group have half unearthed a gold nugget at Yardley Chase. May I attempt to make its discovery shine a little brighter?

For Stansted, the Study Group publishes contrasting maps of the noise contours for mixed mode and for segregated mode operation. It shows that if aircraft all land on one runway and take off from the other there is less noise. This exercise has not been carried out for the other sites, such as Yardley Chase. If the runways at Yardley Chase were slightly "skewed" to the south-west, the ideal direction according to Roskill, and the northerly runway used for traffic to the south-west and the southerly runway used for traffic to the north-east, noise would be almost completely avoided at the villages of Bozeat, Yardley Hastings, Horton, Hartwell, Western Underwood, the large village of Olney, and Harrold. In other words, noise nuisance would be cut almost to nil. As it is, the Study Group reveals that Yardley Chase:—

1 "would be the best of the inland sites in terms of number of people displaced (chapter 2, paragraph 21) destroying only 25 houses"

2 "is probably the best site for designing a route network" (appendix 3) to "cause the least interference with operations at Heathrow and Gatwick" (5.3)

3 "will lead to greater industrial and commercial development than other sites"

4 takes "average or below average (grades 3 or 4)" agricultural land

5 has a site which extends to within 3 kilometres of M1

6 can, with a 16 kilometre rail link to Bedford, use the existing line to St. Pancras.

The fact that Yardley Chase, alone of the inland sites, is already under 999 year lease to the Crown, avoiding the acrimony and delay of compulsory purchase, gives the best opportunity for a prompt start.

Laurence Dewhurst.
Laurence Dewhurst Associates,
2, Berkeley Square, W1.

EEC agriculture

From the Director,
The European Movement

Sir,—Mr. Meakin identifies the political clout of the farming communities as a major factor impeding reform of the Common Agricultural Policy (December 17). As long as decisions on Community policies remain the exclusive concern of Member Governments the political weight of the farming lobbies, particularly in Germany and France will prevent any significant change.

The European Parliament's rejection of the Community budget last week is a new factor. With no more than 10 per cent of the Community's population working on the land, the elected European Parliament is much more representative of the consumer interest looking to more reasonable food prices and an end to costly and wasteful agricultural over-production.

Unless Governments meet the European Parliament's wishes for a more balanced budget, the CAP will find itself starved of Community funds well before the end of next year. Governments will either have to finance agriculture out of their national budgets or yield to the one European institution which, drawing its legitimacy from democratic elections, is bound to wield the ultimate political clout.

E. Wistrich,
Europe House,
1a, Whitehall Place, SW1.

Channel link

From Mr. Angus Dalgleish.

Sir,—Ralph Bonwit (December 11) joins those advocating that archaic project, a Channel railway tunnel. He suggests that such a link would be energy saving, but there is no truth in the belief that railways save energy. In practice, both for long and short distance passenger services, express buses use only about one-third of the fuel per passenger needed by railways.

Railways use the space they occupy at very low intensity and this is the main argument against a rail-only link. The country's present rail network is used to only 3 per cent of the potential capacity available if its routes were paved as roads. What we need is the immense capacity provided by a road link, whether bridge or submerged tube. Then we would really feel that we were a part of Europe.

Angus Dalgleish.
Shouson Hill,
Ruxbury Road,
Chertsey.

Temperatures

From Mr. D. Foyle

Sir,—I was interested in the reference to the suggestion that the maximum temperature for workplaces may be cut from 68 degrees to 66 degrees (December 11).

Although the suggested reduction to 66 degrees may not be generally unreasonable, it may be rather cold for some people.

I would like to suggest that this requirement may be relaxed if the building has been substantially insulated and other measures taken to conserve fuel. In fact, it may encourage owners of buildings to carry out these very necessary measures.

D. Foyle.
2, Hawthorne Road,
Kings Norton, Birmingham.

Decline

From Mr. N. Feld

Sir,—I wonder if the Government, the CBI, and the Trade Unions are aware that the problems now affecting the British heavy industries, such as British Steel and consequentially the coal-mining industry, are the direct result of the fact that the Government have let decline so many labour-intensive "secondary" industries through a lack of any import controls.

Many "secondary" industries use substantial quantities of steel both in their ultimate finished products and in the machinery and equipment used for production purposes. Everyone knows of the demise in Britain of the television, typewriter, sewing machine, washing machine, and refrigerator manufacturing trades; all of those use quite substantial quantities of steel. The handbag and travelgoods manufacturing trades use substantial quantities of steel for handbag frames and luggage locks and fittings, etc. Even such trades as clothing and shoe manufacturing still use steel for their tools, cutting machines, and plant, as well as in computers and factory buildings.

There have frequently been arguments that we could or should import labour-intensive goods, and export highly technological products and services, but it seems that somewhere along the line it has been forgotten or overlooked that some of the best customers for our basic heavy industries as well as our technological ones are the very industries that have been, and are still being, allowed to die.

If our "secondary" industries are allowed to shrink any further, I can foresee a very dim future for us all. And, should there ever be found a substitute for oil or should there be further large discoveries of oil forcing substantial cuts in the price of oil, then we would be in the position of feeling complimented to be called a "banana republic."

N. Feld.
8, More Close,
Purley, Surrey.

Marketing

From the Chairman.
AID Innovation Communication Design

Sir,—Would you permit me to support Mr. Ken Webb's contention that "marketing is the key"? So it is. While productivity is important and everyone is right to say so, exclusive focus on it may be misleading and even damaging.

There are two reasons. First, it is no good producing goods customers don't want. So immediately we see production is second in importance to establishing customer need—a marketing function.

Second, by believing productivity is the key to prosperity we fail to appreciate the true nature of modern commercial transactions.

People seldom buy products alone. Mostly they pay to have their needs and wishes met; and there is more, far more, to that than simply delivering a product. If we fail to see the difference between selling products and providing what I can only pompously call "systems for customer satisfaction" we are unlikely to equip ourselves adequately to fight our competition or present our goods properly.

James Pilditch
10, Rathbone Place, W1.

Bank unions

From the General Secretary,
Banking, Insurance and Finance Union

Sir,—There has been much comment in your columns in recent weeks over staff representation in the banking and financial sector.

Dr. Johnston in both his reports on staff representation in the English clearing banks, recommended the establishment of a three tier Union (covering all categories of staff currently covered by our Union and the Staff Associations in Barclays, Lloyds and National Westminster Banks) which would be affiliated to the TUC. We support that concept.

The three staff associations are apparently going to come together to form a body consisting of their own members in the three banks concerned which will not be affiliated to the TUC: this is clearly not what Dr. Johnston recommended.

Leif Mills.
Sheffield House,
Portsmouth Road,
Esher.

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Oxford Street's boom years at an end

BY MICHAEL CASSELL

IT IS perhaps understandable if this year's Christmas lights in Oxford Street appear, in the words of Mr. Michael Montague, chairman of the English Tourist Board, "dreary and unimaginative." As 1979 ends, the 294 trading units which make up one of the world's greatest shopping streets look back on a disappointing year and warily await one of the most uncertain futures retailers can remember.

Oxford Street shows all the signs of a hangover before the real Christmas festivities begin. Some retailers launched sales more than a week ago, a move which Mr. Harry Shepherd, president of the Oxford Street Association, says was "highly exceptional." The indications were that even a last-minute spending spree would fail to make this Christmas a good one.

The importance of a successful 1979 Christmas for Oxford Street and its tenants is more than a matter of short-term concern. High sales were seen as necessary compensation for a poor 12 months' trading and the source of strength with which to tackle what looks like being a tough 1980.

The apparent failure of Christmas to perform this dual role may prove to have far wider repercussions than a spate of bargain basement sales in the pre-Christmas weeks.

For though few Christmas shoppers would stop to consider it, the street is a self-contained but major property market in its own right. In this respect, it now confronts what some describe as a crisis and what most people with an interest in the street's future believe will at the very least be a difficult patch.

Whatever happens, there is little doubt that one of the most buoyant periods in Oxford Street's recent history is at an end.

After a tourist boom in the Jubilee year of 1977—when overseas visitors accounted for anything up to 40 per cent of sales in some stores—some reduction in foreign shoppers was expected, and experienced, in the succeeding 12 months. Even so, sales in Oxford Street were estimated to have reached over £1.5bn in 1978, with tourists accounting for around £250m of all takings.

The difficulties began in the spring, which brings with it the start of the tourist season. At that time, retailers looking for space in Oxford Street found there was virtually none available at any price.

Retail premises were easier to obtain between Oxford Circus and Tottenham Court Road, traditionally regarded as the weaker end of the street, but between the Circus and Marble Arch there were few chances to get in.

Ordinary premises, with between 1,000 sq ft and 1,200 sq ft of selling space and 500 sq ft of storage room, were early in 1979 commanding an annual rental of £200,000 to £250,000 a year or more. The figures compared with a typical asking price of around £120,000 12 months earlier and meant that since the summer of 1974 rents had on average increased over 3½ times.

But such was the volume of business attracted by an Oxford Street pitch, traders showed little concern about the increases. The situation only began to change towards the middle of this year, when it became apparent that tourist sales were falling.

Although the number of customers showed little sign of declining, there was an obvious change in the volume of sales and retailers began to realise that many big spenders had gone.

The strength of the pound and the weakness of the dollar, together with evidence that high spending visitors from the Middle East, Japan and some EEC countries were fewer on the ground, began to hit the tills in Oxford Street's stores, shoe shops and boutiques. The imposition of a 15 per cent VAT rate hardly helped boost sales.

The picture was confirmed by figures from the English Tourist Board which showed that while central London hotel bookings had fallen this summer by 6 per cent, budget hotel accommodation—rooms at under £6 a night—had seen a 7 per cent rise in demand.

Takings over the counters began to fall and for the first time the tenants of Oxford Street began to worry about the relationship between rents and sales. The Oxford Street Association now believes that total sales will show no real growth this year and that tourist sales may be down by as much as £40-£50m.

Rent reviews

The figures make bleak reading to tenants in the street, who pay their rent to institutional freeholders such as the Prudential, Legal and General or the Coal Board Pension Funds. Many occupiers hold leases subject to rent reviews every five years, a pattern established in the late 1960s and early 1970s, and they are well aware that those reviews are on the way.

As a result, growing numbers of tenants, in a street where occupants change rapidly, are anxiously examining the books and considering whether sales will justify still higher rents or whether they should not take a premium for their space while it commands one and get out.

According to Christopher Lloyd of agents Hillier Parker May and Rowden: "Tenants are seeing what people have had to pay to renew leases over the past couple of years and are saying that they cannot afford to follow.

"The omens for 1980 are not good for Oxford Street. Record interest rates not only represent a major burden for the big retailers buying stocks with borrowed money but imply a strong pound which, if it lasts until next summer, could again hit the tourist business. This year's trading pattern could, therefore, be repeated or may even deteriorate.

"If, on top of everything else, Christmas proved to have been bad, then many tenants may start to consider seriously their position. The trouble is that by the time they make a decision to move out of Oxford Street it could be too late, in the sense that they might not get good terms for leases in a shaky market.

"There has been virtually no growth in rents since the middle of this year. There have been one or two exceptions, mainly involving tenants prepared to pay any price for an Oxford Street presence, but generally the picture has been one of stagnating rents. A poor Christmas could provoke an outflow of tenants next year which would lead to falling rents."

Not all agents are so pessimistic. Mr. John Wills of Healey and Baker, which is understood to be asking £300,000 a year plus a £100,000 premium for a Lord John shop unit in Oxford Street, conceded that it is highly unusual to find so many properties on the market. But he does not expect to see tumbling rents and empty shops next year.

He said: "It is a long time since something like 15 to 17 Oxford Street units have been available but they are not going at any old price. There is no question that rentals in the street last year began to bubble and a combination of bad winter weather at the start of 1979 and a poor tourist season has led to an easing of rentals.

"There is a great deal of interest in properties, though it is admittedly taking longer to move them and prospective tenants are not necessarily talking about the sort of rents we have in mind. There is a market place, although things will be difficult in the early part of 1980, as they always are at the start of any year.

"I believe the market in Oxford Street will continue in the same type of realistic atmosphere which now exists. We cannot expect much in the way of rental growth but it is worth remembering that there have been setbacks before and the street has adequately proved it can handle them and bounce back."

For Mr. Christopher Benson, managing director of MEPC, the property development group, the future of Oxford Street is more than of passing interest. His company is currently developing a £25m covered shopping centre on three floors over Bond Street underground station and though there seems little doubt that the scheme will offer some of the best retailing space in Europe and ultimately prove very successful, its debut could prove to have been better timed.

The 45,000 sq ft scheme received what Mr. Benson called a "nasty knock on the nose" with the withdrawal of the Wallis fashion group as proposed occupier of the cornerstone space within the scheme. Earlier this year, Wallis—which was subsequently taken over by Sears—backed out of the scheme in the face of a potential rental of up to £600,000 a year and huge fitting out costs. This departure left MEPC to find another major trading name to act as a magnet to attract tenants for the other 27 shops.

That problem seems to have been fairly quickly overcome and an announcement that Burton, the revamped menswear group, is to take Wallis' place is due soon. But MEPC is still faced with marketing the remaining space and achieving good rents, for a scheme due to open towards the end of 1980.

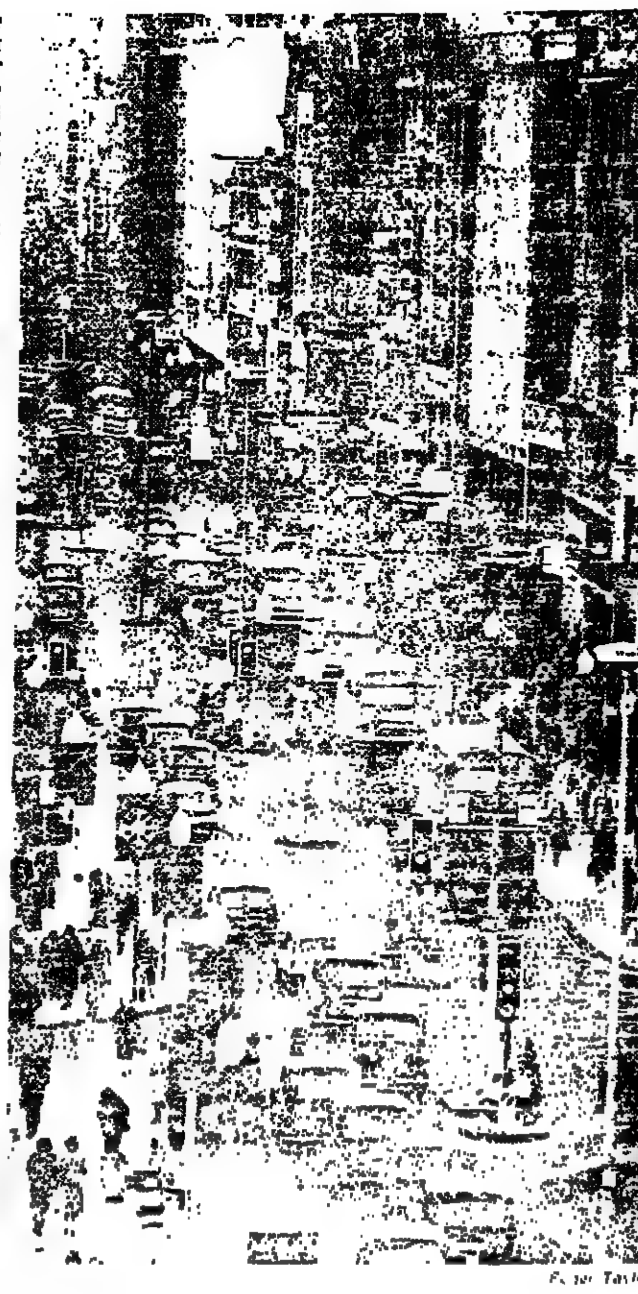
Mr. Benson said: "We accept that our marketing drive has now started at a bad time and that the prospects for Oxford Street rents are now a little uncertain. But we have geared our rents to the downturn we expect in the rental market and also acknowledged that little of our space actually offers an Oxford Street frontage."

MEPC is asking around £190,000 for the 1,000 sq ft of space which is not being taken by the key tenant and which fronts on to Oxford Street. Rents for other units within the development seem modest by local market standards.

Mr. Benson says he is confident that he correctly assessed likely rents in what he says has already become a "softer" market. So far, none of the units has been let and MEPC has been surprised at the lack of interest on the part of multiple retailers. "It is still early days and we are confident of the scheme's long-term success."

Mr. Benson's longer-term optimism is almost certainly well founded. As Mr. Shepherd of the Oxford Street Association commented: "The street confronts one of the more difficult periods in its long history. It has been unable to recover from a bad start in early 1979 and now the prospects for next year look anything but encouraging. The big stores will clearly manage, although the smaller ones will suffer.

"But Oxford Street will survive, even if there are a few casualties. Its place as perhaps the greatest shopping street anywhere seems secure."



Peter Taylor

Weekend Brief

The compromise that might mean moving Christmas day . . . . fur flies in the jet-set Alps . . . . how the elephants get frisky . . . . and package tour problems

The last festive December?

COULD this be the last Christmas Day we will celebrate on December 25? Perhaps not. But the possibility that we shall before very long celebrate the festival on January 6 is now a very strong one.

The idea of a change in the date stems from talks about unity which are taking place between the Roman Catholic church and the eastern Orthodox churches. A meeting between Pope John Paul II and the Ecumenical Patriarch Demetrios I has already taken place and the two main branches of the Christian church are to have further discussions next year.

The precise date of the birth of Christ has always eluded scholars. Only two of the gospels refer to it and the actual date is based around the pagan festival of Saturnalia. When the Gregorian calendar was introduced the western Christians adopted the new date of December 25 but the Orthodox churches based on Constantinople, now Istanbul, stayed with January 6.

There is one exception to the rule. The Orthodox church in this country, which is very small in numbers, has always celebrated Christmas in December.

Talks about unifying the churches on a fixed date for Easter have been going on for a long time. They were started in the 'twenties but little progress has been made.

Now, however, there is a more positive mood to the talks about unity among the Christian churches. The Pope has appointed five cardinals—Westminster's Cardinal Basil Hume among them—to form a unity commission and they will be meeting their eastern counterparts.

Much of these talks will consist of good old horse-trading. If the Pope, as apolostic successor to St. Peter, is to be accepted as head of the whole of the Christian community then he will have to give something in return. And one of those "somethings" is thought to be a concession on the date of Christmas.

Where does this leave the Anglican community, an important but by no means leading branch of western Christianity?

The Church of England, which has a strong wing that seeks a closer form of unity with Rome, has always watched the Catholic-Orthodox rapport with great interest. A new Archbishop of Canterbury—Bishop Robert Runcie of St. Albans is to be inducted next month—will certainly continue this interest since he is on the high-church wing.

Any change in the date in Britain would need an Act of Parliament and the Commons can be very prickly when it comes to church matters. It threw out a revision of the 1662 Prayer Book in both 1927 and 1928.

A January Christmas Day would, however, give the opportunity to rationalise the confused situation which has arisen since January 1 was made a public holiday a couple of years ago. For many people, Christmas now tends to run from December 24, sometimes even December 23, to January 2, nine days in all.

If January 6 were to become Christmas Day and Boxing Day were abolished as a public holiday—and there is no reason why it should not: it is not a day off in many countries, including the U.S., Russia, Belgium, France, Canada and Spain—the sprawling Christmas-New Year break in Britain could be compressed into six days.

Heated times in cold climes

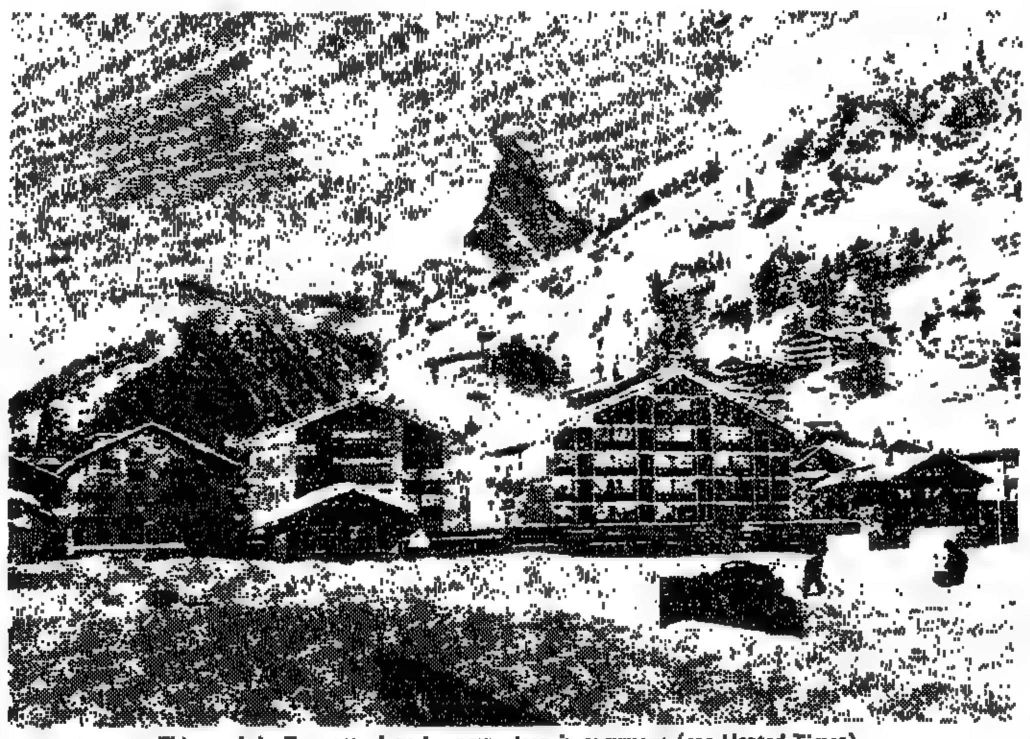
About the only thing which is likely to prevent the postcard Swiss village of Zermatt from having a White Christmas is the heat from a local row over the future of this legendary winter sports centre, which nestles in the shadow of the Matterhorn. Early season skiers have been enjoying the best December snow the resort has seen in years, as well as bopping the nights away in such distinguished discos as the Village and the video-aided Prolux, totally unaware that some local residents see plans to expand tourist revenue as plots to turn Zermatt into some sort of Miami on ice.

Local government, rail and ski lift interests are beginning to wince under the strain of providing services in a centre which has no winter road connection and a basic population of less than 2,000. The residents see ideas for expanding hotel, apartment and tourist attracting facilities as schemes based more on financial gain than community interests.

Earlier this week I found myself trapped between a local official who was making dark hints about the drinking habits of someone who in his turn appeared to be suggesting that money was changing hands when new apartment and hotel projects were being planned.

Two of the resorts most recent plans to boost revenue have run into problems. A rail system aimed at replacing an ageing chairlift from Zermatt to Sunegga is being delayed, and vastly increased in cost, because tunnels which had to be built after environmental pressures proved to be in the most difficult of terrain. Last weekend another blow came with the news that the spectacular cable car system to the Klein Matterhorn, the highest such lift in Europe, had failed its certification tests and is having to be either "adjusted" or "modified" according to which report you believe.

The protectionists argue that such new projects only mean more hotels to provide the necessary custom, and new hotels will mean more people needing more facilities. Zermatt meanwhile remains one of the most delightful villages of the Alps and if you pull your ski hat down you may not even hear the noise of the arguments. See it now before it disappears.



This week in Zermatt: deep in snow, deep in argument (see Heated Times).

Rowdy hours in Jumbo land

When you are sitting in bed on Tuesday morning opening your Christmas presents, spare a thought for the 35 keepers at the London Zoo who will be on the job as usual at 7.30 am on the 25th to clean and feed their 6,000 odd charges.

The zoo is closed on Christmas Day—the only day of the year it is not open to the public—but the animals do not work to rule. They will be expecting the traditional five star treatment . . . fresh rats for the owls, warm blood for the vampires (97 degrees please), bamboo for the pandas (specially grown in darkest Sussex) and a little honey for the humming birds.

"Oh yes, our animals are fed better at Christmas than a lot of people. Officially we don't do anything different for them on Christmas Day but one or two of the keepers will bring in the odd mince pie for their favourites. It's very much up to the individual keeper," says head keeper Don Newson.

Most keepers will start earlier than usual on Christmas morning to get through their rounds in time to pop off home for turkey and plum pud with the family—but two of them will be back in to work after lunch.

The keeper from the children's zoo who has to milk the cow at 3.30 and the elephant keeper who will drop by later in the day to restore a bit of law and order in the elephant house.

"There's no way Bill Crompton could leave the elephants on their own all day. Without anyone to amuse them they get very bored and start playing up. They throw things at each other, becoming very boisterous and rowdy unless Bill comes along to talk to them," said Newson, confirming that the yuletide menu in the elephant house will again feature the usual 60 lbs of hay, 30 lbs of carrots and potatoes, 30 lbs of oats, maize and cattle cubes washed down with 30 gallons of water—that's per elephant.

That doesn't include the mince pies Bill will bring back in the afternoon. Newson says the elephants have been considerably healthier since the zoo introduced a ban on visitors' offerings—the elephants would be offered literally thousands of sticky buns in a single day during the holiday period, and the situation became so critical that zoo staff took the precaution of giving the beasts a purgative prior to every bank holiday.

Newson confesses that he doesn't share Bill's enthusiasm for the elephants, never has.

"I'm a bird man myself. Always have been. Started as a lad in the bird house 44 years ago Didn't like them much then, but my dad worked at the zoo and he got me the job.

"I have to look after all the animals now, but I still have a soft spot for birds. Especially the toucans. They're real characters the toucans. You can really get to know a toucan, become good friends with him. Same as the Great Indian Hornbill, they're very friendly fellows—they'll take the food right out of your mouth."

Strings and packages

One surprising development at Westminster before Parliament adjourned for the Christmas recess was the unconcealed lack of seasonal goodwill felt by many Tory backbenchers towards the package tour industry.

With its record of sustained growth this is one area which, apart from the occasional hiccup, has become accustomed to laudatory praise from Tory politicians as a prime example of the benefits to be derived from the bold and imaginative use of entrepreneurial skills.

Yet, in the wake of the Government's decision to expand existing facilities rather than sanction the vast expenditure needed to build a third international airport to serve London, a succession of demands for the imposition of restrictions on the package tour operators came from the Tory backbenches.

This paradox is largely, though not entirely, explained by the impact of the anti-aircraft noise lobby and other groups who share the understandable desire to protect their environment from the depredation almost invariably associated with increased activity at airports.

So it was entirely predictable to find Mr. Peter Hordern, MP for Horsham and Crawley, wanting to shield his constituents in the lush Sussex countryside from any expansion of package tour charter flights from Gatwick.

But the "joker-in-the-pack" was Mr. Robert Adley, MP for Christchurch and Lymington, marketing director of an international hotel company and vice-chairman of the all-party tourism Committee in the Commons.

Mr. John Nott, the Trade Secretary, who vies with Sir Keith Joseph, the Industry Secretary, for the title of the Cabinet's most ardent champion of an unfettered free market economy was clearly shaken by this manifestation of something approaching the "Thou shalt not" brand of Socialism on the Government backbenches. But he was quickly reassured that the majority view among Government supporters strongly endorsed his own belief that it must be right to respond to demand as it is created but warning shots have been fired.

Contributors:
Anthony Moreton
Arthur Sandles
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Closures at Homfray following loss of £1.1m

Homfray and Co., West Yorkshire carpet maker, continued to deteriorate in the second half of the year ended September 29, 1979, and the group finished with pre-tax losses of £1.08m against profits of £1.05m in the previous year.

At mid-way, profits had slipped from £643,000 to £290,000 and the directors said then that prospects were not encouraging.

The Board believes market conditions will continue to be difficult and that there will be a trading loss in the first six months of the current year. Thereafter, the group should operate profitably.

However, taking all factors into consideration, the directors feel justified in recommending a payment of 1p for the year from reserves. In 1977-78, an interim dividend of 1.3125p was followed by a 1.8125p final.

Loss per share at the year-end is stated as 3p net against earnings of 3.4p. On a nil basis, the loss is 1.3p.

Several moves are announced aimed at restructuring the group to meet the continuing weakness of the market.

In the UK, these include the closure of all activities at Sowerby Bridge and the closure of three uneconomic plants at Batley. These plants will be replaced by a single new fast rotary printing machine which will be commissioned at the end of March next year.

By this time, the total number of employees will be 800 less than 12 months ago, the directors say. All expenditure associated with severance payments and plant closures have been provided in full in the 1978-79 accounts which show redundancy costs and terminal losses of £1.82m against £425,000 last year.

Sales for the year amounted to £39.44m compared with £40m previously.

The directors say the main reasons for the poor trading conditions are still the low demand for carpets in the UK, substantial over-capacity in the industry and the loss of the traditional export market.

This loss can be directly attributed to the high level of sterling and the artificial low price of nylon in the U.S., they add.

Capital expenditure during the past year and capital commitments at the year-end amounted to over £2m and this investment will substantially improve competitiveness in the volume market, the Board says.

In extremely poor trading conditions, the Australian subsidiary managed to remain profitable but at a very much lower level.

● comment

Homfray's £2.1m turnround into the red is depressing though hardly surprising in today's unhappy climate for carpet manufacturers. At home competition has been fiercer than ever, exports have been hit by unfavourable currency movements, and borrowings—at around 50 per cent of shareholders' funds—are uncomfortably high though well within bankers' limits. For the immediate future the outlook is not very encouraging but an indication of longer-term confidence is the modest re-equipment programme now under way. Homfray is also cutting back its labour force by half while the new machinery will no doubt reduce costs. Any stabilisation of sterling will benefit exports while home demand should be helped by the news that a direct competitor is withdrawing from production. This should not detract from the fact that 1980 is going to be a testing year—a sentiment adequately reflected in the share price of 14p, which capitalises the group at roughly £2.2m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Batleys of Yorks ... int.	1.3	Feb. 21	1.1	—	4.2
Brunner Inv.	2.75	March 17	2.15	4.9	4
Cldn. Asse. Cinemas int.	2	Feb. 1	1	—	8
Catalin .... int.	0.83	—	0.72	—	3.35
Charter Trust	2.03‡	March 14	1.7	2.85‡	2.45
Cont. Stationery ... int.	0.9	April 9	0.9	—	2.78
Danks Gowerton ... int.	0.7	—	0.7	—	2.16
Homfray	1	April 2	1.81	1	3.13
London & L'pl. Tst. int.	0.14	—	0.13	—	0.63
Henry Norrington	0.68	April 4	0.44	0.68	0.44
Sutcliffe Speakman int.	nil	—	1.32	—	1.32
Wharf Mill .... int.	nil	—	0.6	—	0.6

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus special non-recurring dividend of 0.306p.

Sutcliffe Speakman deficit

FOLLOWING LOSSES of £407,000 at the end of 1978-79, Sutcliffe, Speakman and Co., reports a deficit of £136,000 for the first half ended September 30, 1979, compared with profits of £201,000 in the same period last year.

The directors say losses continue as a result of a considerable cut in turnover in the engineering division caused by a worldwide downturn in demand for brick-making plant.

These losses were seriously increased by the engineering strike in August and September, the Board adds.

No interim dividend is being paid — last year's interim of 1.3164p was the only payment for 1978-79.

First half turnover amounted to £3.02m against £4.33m. Attributable loss is £65,000 compared with profits of £94,000.

The carbon division has continued to perform well and the increased turnover resulting will have beneficial effects on already good profitability.

As a result of the reduction in engineering order intake it has been necessary to make some employees redundant in those areas mainly associated with the manufacture of brick plant equipment, the directors say.

The action taken to resolve these problems will result in a reduction in costs in the second half of the year, but the future is too uncertain to be able to forecast whether the improvement will be sufficient to bring the company into profit this year.

The development of the U.S. company, which started operation from April 1, 1979, has proceeded rapidly and augurs well for the future, particularly with respect to its effect on the sales of chemical plant and activated carbon, where substantial orders have been received in recent months, the Board states.

BIDS AND DEALS

Further sale in U.S. by Dunbee-Combex-Marx

BY ARNOLD KRANSDORFF

Dunbee - Combex - Marx, the troubled UK-based toy maker, yesterday announced the second half of a rescue package which effectively disengages the group from direct involvement in its loss-making activities in the U.S.

A letter of intent has been signed for a long-term agreement that provides for Leisure Dynamics Inc., a publically-quoted hobby company, to take over the sale and distribution in the U.S. of DCM's Aurora product range, which includes the AFX road racing system and a new line of electric trains.

Only 24 hours before the company announced that it planned to sell the balance of its U.S. product range to Empire of Carolina, another U.S.-quoted toy company which was also DCM's single biggest competitor in North America.

Mr Richard Beecham, DCM's joint managing director, said: "The deals mean that we have got rid of our cancer and the remaining activities of Louis Marx (the U.S. subsidiary) should now be profitable."

Speaking from New York, he warned that the U.S. involvement, which had sadly proved to be "an expensive experience," would mean heavy write-offs in the next balance sheet. He also cautioned that the agreements still had to be approved by the main boards of the companies involved.

The deals do not affect DCM's involvement with Aurora in Canada, Singapore and Holland and Louis Marx's Hong Kong and Canadian activities.

Leisure Dynamics is a relatively small U.S. toy company with annual sales of around $60m. The Aurora agreement will boost this figure by at least $40m while Empire's annual turnover will be roughly doubled to $100m by the inclusion of the extra product lines.

Although no breakdown has ever been given, losses by the Louis Marx subsidiary are thought to be in the region of £10m since its troubles started. The problems were compounded by the hasty integration into the group of the Aurora division.

The Leisure Dynamics deal allows for a minimum annual payment to DCM of $1m index-linked to U.S. inflation or a higher sum based on the royalty of the actual turnover achieved. Based on Aurora's 1979 turnover, the royalty paid would have been nearly $2m.

Leisure Dynamics takes over for cash with phased payments DCM's Aurora stock at book value and will have the use, without further payment, of Aurora's U.S. moulds. This will release DCM's Aurora factory, plant, machinery, which will be turned into cash during 1980.

Production of Aurora cars and trains will be carried out in DCM factories in Singapore and Hong Kong.

The other deal gives DCM 25 per cent of Empire's equity, worth $3.6m in the market. Last year Empire made profits of $4m.

DCM's share price rose 1p to 34p yesterday, having jumped 8p on Thursday.

Argus Press buys Slimming for £3.8m

Argus Press has bought "Slimming" magazine for £3.8m which compares with pre-tax profits for Slimming group of £357,097 in the year to March and net assets of £803,221. The acquisition is to be financed by bank borrowings.

Slimming operates a network of slimming clubs and a health farm in Leicestershire in addition to publishing and distributing the magazine itself.

Earlier this year Argus completed the complicated takeover of Tridant Group Printers, which publishes a chain of newspapers in South London.

Take no action Empire advises

IN THE wake of the bid ... Caparo Investments, the In... owned group, shareholder... Empire Plantations and In... ments, which owns tea es... in India, are told to hol... to their shares. The sl... closed 2½p higher at 25½p ye... day which compares with a... price of 24p.

The bid follows an inc... in Caparo's stake to 48.48... cent after purchases in the ... ket. Under the Takeover P... rules a similar cash offer ... now be made to the remai... holders. The directors of Em... control 14 per cent of the eq... and a further 8.8 per cent ... the hands of Scottish Nort... Investment Trust.

In a brief statement yester... the Empire directors stated ... when they receive the for... offer they will consider it ... advise holders. In the me... time shareholders are stron... advised to "take no action."

The bid has come at a t... when Empire's fortune's h... declined. Last month the gr... announced a setback in pr... from £1.08m to £163,000 and ... ordinary dividend was omit... The company was hit by ... decline in profitability of ... tea estate because of a fall ... the total crop and the aver... price.

CES ready to pay up to £5.4m for carpet wholesaling company

BY REG VAUGHAN

Combined English Stores, the multiple specialist retailer, which made a successful £4m cash call in July, is back on the acquisition trail.

CES, which operates some 650 shops in the UK and Europe, including the Kendalls ladieswear and Harry Fenton menswear chains, is acquiring M. Mercado, a carpet wholesaler and importer. The price is a basic £2.7m, plus an additional amount based on a profits formula providing for a maximum of £5.4m.

This move comes just over two months since CES reported a slump in first half 1979-80 profits—from £1.7m to £401,000—which the group blamed on a decline in performance by Harry Fenton and Kendalls, compounded by bad weather, the VAT increase and overseas losses.

Earlier this week CES, headed by Mr. Murray Gordon, announced the resignation of Mr. Edward de Winter, as joint managing director. No reason was given for his departure.

The group has spent £5m on UK acquisitions over the past 15 months. The directors believe that Mercado will fit in with the activities of the group's import and wholesale division.

Mercado has a strong growth record with profits, before tax, rising from £507,000 to £768,000 in 1978, on a turnover of £5.38m (£6.31m). At December 31 last Mercado had net tangible assets of £1.6m.

The basic consideration has been satisfied by the issue of £2,699,834 unlisted redeemable unsecured loan stock and the payment of £166 cash. The stock is guaranteed by Midland Bank and carries interest payable half yearly at 1¼ per cent below the bank's base rate.

Holders have the right to redemption on May 31, 1980 and on any interest payment date starting on September 30, 1980. Any stock not outstanding will be redeemed by CES on November 30, 1984.

The vendors will be entitled to recieve an additional consideration equal to 80 per cent of any amount by which the profits, before tax, of the Mercado companies for the 56 weeks ending January 26, 1980 and each of the four years ending January 1984 exceed £750,000, but do not exceed £1m. Holders may also receive 20 per cent of any amount by which profits exceed £1m. But the total aggregate consideration shall not exceed £5.4m.

Mr. R. A. Ellis and Mr. J. J. Wharton, who continue as directors of Mercado, have entered into new service contracts with Mercado under which each will receive an initial payment of £250,000.

BUNZL PULP SEEKING TO SELL AUSTRIAN OFFSHOOT

Bunzl Pulp and Paper is negotiating with an Austrian group for the sale of its 99.8 per cent shareholding in Bunzl and Biach AG, Vienna. These discussions are progressing satisfactorily and a decision is expected during the first quarter of 1980, the company states.

As a result of separate discussions between Bunzl and Birch AG and another Austrian group, negotiations have reached an advanced stage concerning the sale of its Wattens Fine Paper Mill.

In October Bunzl reported that the Austrian subsidiary's profit was well ahead of budget.

BROOKE BOND/LAKE AND CRUICKSHANK

The offer by Brooke Bond Liebig for Lake and Cruikshank for the 75 per cent not already owned, has become unconditional following acceptances on 404,022 shares (74.27 per cent).

The share offer has closed but the cash offer remains open. Under the share offer 1.41m Brooke Bond shares have been issued.

RYLAND VEHICLE—R. A. DYSON

The offer documents outlining the agreed bid by Ryland Vehicle Group for R. A. Dyson, show only too clear the bleak alternatives.

Shareholders are being asked to accept 2p for their shares but, as Mrs. Elsie Dyson, chairman, points out, the group was faced with being put into receivership by its bankers and there would have been "no funds available for shareholders" and even unsecured creditors would not have been paid in full.

Now Ryland intends to inject cash into Dyson and replace its lost export orders with sales through Ryland's own UK distribution network.

Dyson lost £268,000 pre-tax in the year to March and a further £180,649 in the following six months. Since then losses have been continuing the board says.

Furthermore, properties valued at £350,000 on an open market basis in July were revalued on a forced sale basis in December at £240,000.

The rescue from Ryland is already certain as the bid has been irrevocably accepted by the board which owns 50.8 per cent of the "A" shares and 31.2 per cent of the "B" shares.

H & C TO ACQUIRE CARTWRIGHT SUBSIDIARIES

Harrisons and Crosfield has exchanged contracts for the acquisition from Cartwright and Co. (Importers) of the whole of the issued share capitals of Cartwright and Co. (Boards), Cartwright and Co. (Building Supplies), Cartwright and Co. (Fencing) and Cartwright and Co. (Timber).

Completion will take place on December 31, 1979 and the consideration will be the net tangible asset value of the companies at that date. H and C will also discharge the group loans due from the companies to Importers at that date. The group loans will be discharged in cash, and the consideration for the issued shares of the companies will be satisfied by the issue of H and C ordinary shares, subject to Importers' option for the consideration to be paid in cash in certain events. It is anticipated that the H and C ordinary shares will be issued in April, 1980.

H and C also announces that contracts have been exchanged for the acquisition from Importers of freehold and leasehold properties at Olton Wharf, Birmingham for a cash consideration of £600,000.

FERGUSON INDSTL.

Ferguson Industrial Holdings has acquired Antrim Builders' and Plumbers' Suppliers for a cash consideration representing the net asset value of that company. Antrim has capital employed of some £400,000.

David Dixon fails in bid for Montfort

David Dixon and Son has fai... in its £2.7m bid to take ov... Montfort (Knitting Mills), fr... trated by the intervention ... Palma Textiles Group, a p... vately-owned Leicester compa...

Palma, owned by Mr. Pe... Bailey, has built up a stake ... over 17 per cent in Montfort ... the past few weeks, causi... Dixon to complain unsuccessfu... to the Takeover Panel and ma... a final offer to raise the bid ter... yet again a week ago.

But Mr. Bailey refused Dixo... extra 10p a share, which wo... also have been extended to oth... shareholders. Dixon has th... decided not to extend or increa... its offer which has now lapsed.

Palma began acquiring shares in Montfort when Dixon... bid was worth £2.5m. At th... stage, it firmly rejected the b... but Mr. Bailey appeared to lea... his position open when the b... was raised to £2.7m, or arou... 90p a share.

Mr. Harry Turpin, the chai... man of Dixon, said yesterda... that he had asked Mr. Bailey ... week ago if he would accept ... extra 10p a share, but "... wasn't the slightest bit cooper... tive."

After his refusal, Dixo... decided to let its bid lapse, M... Turpin said. Including th... latest batch of acceptance... Dixon has accumulated 14.9 pe... cent of Montfort's shares. Afte... returning the acceptances, ... will be left with just over 12 pe... cent: it intends to dispose of th... gradually through the market.

Mr. Bailey was not availabl... for comment yesterday. M... Michael Meakin, the chairman o... Montfort, commented: "We'r... quite happy to have him alon... as a substantial shareholder."

There was no reason to expec... Palma to make a bid on its own... account for Montfort, he added... The failure of Dixon's bid lef... the bidder's shares 4p higher a... 116p yesterday, while Montfort's... slid by 5p to 75p.

BORTHWICK

Borthwick-CWS, a subsidiary of Thomas Borthwick and Sons, has signed an agreement with Gear Meat Company and Hawkes Bay Farmers Meat Company, to establish a meat processing company in New Zealand.

The Waingawa works of Borthwick CWS are to be sold to the new company for NZ$13.5m. Borthwick CWS will take up some 38 per cent of the new company's share capital at a cost of NZ$5m.

47% fall at Mann Egerton

PRE-TAX profits of Mann Egerton and Co. fell 47 per cent from £2.73m to £1.44m in the half-year to September 30, 1979, after interest and display charges 82 per cent higher at £1.07m. Turnover improved from £92.49m to £95.56m.

In the last full year, profits totalled £4.32m (£4.75m).

Mr. J. W. D. Campbell, chairman, says a good first quarter in the motor division—which accounts for about 90 per cent of group turnover—was followed by a sharp decline in the number of vehicles sold, and trading profit fell 10 per cent to £2.69m.

Since July, the motor business has been suffering from the effects of the rise in VAT, sharply increased petrol prices and high interest costs. These have combined to depress the level of activity and profit in most facets of the group's business.

The outlook for the rest of the year in this division is not encouraging, he says.

The industries division incurred a trading deficit of £181,000 (£135,000 profit) after a loss of £382,000 in Sheerlite. The chairman says a decision to close this company was taken and the run down and disposal of assets should soon be completed.

The rise in interest costs was due to a combination of higher interest rates and increases—mainly because of inflation—in amounts tied up in stocks and debtors. This includes display charges which represent the cost of financing stocks of new Leyland cars under a new scheme introduced by BL.

The group is a subsidiary of Inchcape and Co.

Celestion in red in first half

Losses of £141,000 have been incurred by Celestion Industries for the half year ended September 30, 1979 against a £455,000 profit in the same period last year, but the directors say forecasts for the second half indicate a measure of improvement.

However, it is now clear that overall results for 1979-80 will not match last year when profits were a record £1.31m.

First half turnover is maintained at £14.96m (£14.9m). The loss includes dividend income of £73,000 against £41,000 and is before a tax credit of £73,000 (£85,000 charge).

The board states that the results of the loudspeaker division were adversely affected by poor consumer demand, the strength of sterling and high relative inflation, resulting in a loss for the half year.

There are indications that most of this loss will be recovered in the second half of the year.

On the clothing side, profits were lower than budgeted, largely due to a loss incurred as a result of an isolated industrial dispute of four months' duration.

The group is a major supplier to Marks and Spencer.

Half-year boost for Batleys

TAXABLE profits of cash and carry wholesaler Batleys of Yorkshire jumped more than 60 per cent to £419,946 in the half year to October 27, 1979 compared to £259,795. Turnover advanced from £28.35m to £40.61m.

The figures include the results of S. Travis, another cash and carry wholesaler, which was acquired in May for £1.56m cash, and the comparisons are adjusted.

The interim dividend is stepped up from 1.1p to 1.3p. A final of 3.1p was paid last year, when total profits before tax rose from £536,000 to £608,000.

After six months' tax of £23,947 (£25,344), stated earnings per 10p share are 10.28p against 5.8p.

Continuous Stationery rises 53%

Fulfilling the chairman's year-end forecast, turnover and profits of Continuous Stationery, computer stationery printer, improved in the six months to September 30, 1979.

Profits jumped 53 per cent from £123,276 to £188,595 before tax of £98,000 (£64,100), on turnover up from £1.29m to £1.69m.

The interim dividend is maintained at 0.9p and again absorbs £22,500, leaving a retained surplus of £68,095 (£36,676), and stated earnings per 10p share up from 2.37p to 3.62p. Dividends last year totalled 2.78p on profits of £246,448 (£191,756).

Smith Whitworth

A turnround from a profit of £63,785 to losses of £88,669 for the half-year to September 30, 1979, is reported by the directors of Smith Whitworth, manufacturer of textile machinery, steel fabrications and plastic products. Turnover amounted to £1.14m, against £919,777.

Pre-tax losses were after crediting extraordinary items of £10,467 (£6,532).

The directors say that, as a result of the engineers' dispute, turnover targets were not achieved with the resultant effect on profitability. However, they are satisfied that second half results will be satisfactory and should show a return to profitability providing no major change in the industrial climate occurs.

In the last full year, profits reached £94,982 (£10,329).

The capital expenditure programme is continuing, the directors say.

Brunner Investment increases

NET EARNINGS of Brunner Investment Trust for the year to November 30, 1979, advanced from £660,329 to £816,192, after an improvement from £323,082 to £342,516 at midterm.

Income for the year amounted to £1.5m (£1.29m). Expenses took £292,940 (£241,446) and tax £376,338 (£371,656).

The net final dividend is 2.75, for a 4.9p (4p) total on earnings per 25p share of 5.1p against 4.13p. A one-for-one scrip is also proposed.

Net asset value per share at November 30 was 136.8p (131.9p).

Following the removal of exchange controls, the company's U.S.$2.3m was repaid shortly before the year-end.

Belhaven shareholders get clearer picture

BY CHRISTINE MOIR

SINCE Mr. Ronald Aitken was brought in by the institutions to chair the troubled Belhaven Brewery Group, shareholders have seen the end to Boardroom strife and the start of efforts to turn round some of the worst elements of the group's affairs.

Equally importantly they are now being kept informed of events.

Yesterday Mr. Aitken wrote to shareholders outlining some of the changes which they will need to approve at a special meeting on January 16 in Edinburgh.

The two important issues are the new deal with Mr. Roy Ling over Ashpoint, the subsidiary bought from Mr. Ling and his associates last year; and the decision to invite Mr. Eric Morley and Sir Fred Pontin on to the board with a 17.3 per cent stake by way of a special issue.

The new deal with Ashpoint, which replaces the former deferred profit-related cash payment, with a share deal which gives Mr. Ling and his associates some 23.3 per cent of Belhaven, is not only 6.4 per cent cheaper than the £1.42m which would have had to be paid but also avoids the strain on group cash facilities which had been looming next year.

The deal with Mr. Morley and his colleagues is also said to be useful because it will provide the company with £200,000 towards reducing group overdrafts which amounted to £1.8m at the beginning of the month.

The company still has a number of problems facing it to which Mr. Aitken also refers. The Coral Island Hotel in the Bermudas still has not been sold although a buyer is being sought. Mr. Aitken warns that "it is unlikely that this can be achieved without further loss."

There is also an "urgent" need to "exploit the potential offered by the under-utilisation" of the Dunbar brewery which is still operating at only 60 per cent of capacity.

Information is also still needed over the £140,000 of unusually high management expenses recently referred to. And the Board has declined to be precise about the asset values of its hotels and breweries "because of difficulties inherent in valuing" such properties.

The question of the value of certain properties sold last year was raised in the auditors' report in the latest accounts.

RESULTS DUE NEXT WEEK

The Pre-Christmas week has ended with its usual flourish of companies quietly announcing profit and loss accounts showing more red than black.

Next week, not surprisingly, is shaping up to be very quiet indeed though again the market will be keeping its eyes open for any unheralded bad figures. Nothing is in the diary for Monday but on Thursday Isle of Wight-based Vectis Stone is scheduled to greet those that have ventured back to the City with its full-year figures.

At the half-way stage Vectis reported profits higher by £45,000 to £250,000. In his interim statement the chairman said that despite the continuing poor weather and the problems facing the oil industry he expected profits to exceed the £540,000 of 1980. Earlier this month Vectis bought 89 per cent of the capital of Columbia Products for £930,000.

On Thursday J. F. Nash Securities will be notifying shareholders of it full year results and half time figures are expected from Pitman, the publishing company which has its preference capital quoted.

The widely diversified Nash group, manufacturing Scimitar sports cars on one hand and bricks on the other, reported lower profits at the half way stage with a fall pre-tax from £202,000 to £156,000. The results of Reliant, which achieved a half time profit of £101,000 against a £555,000 loss, were not consolidated at the interim stage but Nash has since made a successful offer for the minority it did not already own.

At the time of the interim statement chairman John Nash said that there was every indication that the results for the second half would be satisfactory. However, that statement was made before the engineering strike. Engineering was the largest single division in terms of profits in the previous year, when group pre-tax profits amounted to £841,000.

Danks Gowerton tumbles to £57,000 at midterm

TAXABLE PROFITS of Danks Gowerton, steel processor and boiler and plant maker, dived from £408,918 to £56,630 in the six months to September 30, 1979, on turnover of £12.72m against £11.29m.

The directors say that, under normal conditions, the final quarter is the best for trade. However, they add, it is difficult to make a full-year profit forecast in the present uncertain climate, and they have reservations about the group's ability to reach last year's record £1.1m pre-tax profit.

Profitability of the engineering division has been eroded, they continue, but the steel division increased sales. Orders for completion in the second half are sufficient to bring the engineering side marginally into profit for the year, given a period free of external disputes affecting supplies.

The net interim dividend is held at 0.7p—last year's final was 1.456p. Stated earnings per 25p share are down from 2.59p to 0.358p.

After tax of £29,447 (£212,637), the net balance came through at £27,183, compared with £196,281.

Charter Trust improves

AN INCREASE in total revenue from £2.02m to £2.45m is reported by Charter Trust and Agency for the year to November 30, 1979.

The dividend is lifted to 2.85p (2.45p) with a final of 2.025p, and there is a special non-recurring payment of 0.306p.

Expenses absorb £129,229 (£119,545) and interest charges are lower at £165,588 (£217,049). After tax of £773,248 (£640,773) and the preference dividend, available revenue emerges at £1.35m against £1.01m, raising earnings per 25p share from a stated 2.53p to 3.36p.

The net asset value per share, after deducting prior charges at par, is 72.6p (74.4p).

Grand Met plans to raise Liggett stake

Grand Metropolitan, the hotels, leisure and brewing group, is planning to enlarge its stake in the Liggett Group, a diversified U.S. manufacturing concern.

The stock to be purchased, together with Grand Met's present holding, would result in an investment in Liggett of over $15m.

In view of this level, notification filings have been made under the U.S. anti-trust laws to clear the way for the purchases.

Grand Met has no intention of participating in Liggett's management but wishes to have the flexibility to buy additional stock depending on market conditions and other factors. Grand Met's present holding represents 4.4 per cent of the total Liggett common stock.

Grand Met is the supplier of J and B Scotch, which is distributed in the U.S. by the Paddington Corporation, a Liggett subsidiary.

ANGLO-AGIL

Offers on behalf of Anglo American Asphalt Company for Agil Holdings, other than the shares owned by Mr. D. A. Doyle, the managing director of Agil, have become unconditional in all respects.

Acceptances of the offers have been received in respect of 996,402 ordinary (91.55 per cent); 197,500 fully paid "A" ordinary (95.18 per cent) and 70,000 partly paid "A" ordinary (100 per cent).

Anglo intends to acquire compulsorily the outstanding shares of Agil. The offers remain open for acceptance until further notice.

CLONDALKIN-LIN PAC IN JOINT VENTURE

Lin Pac Containers is to form a joint venture with Clondalkin Mills Group to manufacture corrugated cases for the Irish market.

The Lin Pac group, through its corrugated division, operates several corrugated case factories in England.

Clondalkin has developed the Irish market for packaging products and Lin Pac see this latest venture as an opportunity to develop and expand this market.

WEIR GROUP

Keystone Valve (UK), a manufacturer of butterfly valves and control equipment, has acquired Cannon Valves from the Weir Group, of Glasgow.

Keystone International of the U.S., the sole owner of Keystone Valve (UK) is the largest manufacturer of butterfly valves in the world, and has been following a policy of extending its interest into other flow and process control industries.

NO PROBES

The proposed mergers of Eagle Star Holdings and Bernard Sunley Investment Trust; Sears Holdings and Wallis Fashion Group, British Petroleum Company and Hendrix Fabrieken; Thorn Electrical Industries and Gebr Kaiser GmbH and Company Leutchen KG; Calor Gas and Glogas; and Polygram Group and Decca Record, are not to be referred to the Monopolies Commission.

GLASGOW PAVILION

Shareholders of the loss-making Glasgow Pavilion theatre concern yesterday approved an increase in capital designed to let in a new group of shareholders with just under 30 per cent of the shares.

The ordinary 50p shares are being divided into 10p units and authorised share capital raised from £100,000 to £150,000. A consortium consisting of Mr. Michael Abbott, Mr. Stephen Komlosy, and Mr. Tom Malcolm is taking up 360,000 shares at 29p each, to raise nearly £100,000 after expenses.

Mr. Abbott, chairman of the Drake and Scull engineering group, now becomes chairman of Glasgow Pavilion in succession to Mr. M. Dumfries Ballantine. Mr. Komlosy is a director of the Laurence Parnes Organisation which runs the Cambridge Theatre in London. Mr. Malcolm is a U.S. business consultant.

STURLA

A consortium of Merseyside businessmen, headed by Mr. Stuart Gallaway, has entered into an agreement to buy Sturdy Finance, a Sturla Holdings subsidiary which specialises in personal lending in the north-west of England.

The consideration will be £30,000 for the Sturdy shares. In addition, Sturdy will pay to Sturla by way of repayment of inter-company loan account, 87.5 per cent of the sums collected from Sturdy's customers. This relates to debts due at the date of completion, in excess of £850,000 over a seven-year period, subject to a maximum payment of £1.2m.

Meanwhile, Sturla has announced interim figures. Profits jumped from £5,000 to £48,000 in the six months to July 31, 1979. In the last full year, losses were cut from £93,000 to £16,000.

Half-year turnover improved from £1.18m to £1.24m. There is again no tax charge. Stated earnings per 10p share rose to 0.59p (0.03p).

The directors say dividends on preference shares, which are in arrears from June 1, 1976, will be brought up to date as soon as practicable and the position will be reveiwed in the light of the full year results.

SHARE STAKES

Carliol Investment Trust—London and Manchester Assurance Company has acquired 35,509 shares and disposed of 664,000 leaving holding 1.37m (12.7 per cent). It has also acquired 112,150 shares in Tyneside Investment Trust, and disposed of 526,000 and bought 179,031 shares of London and Lennox Investment Trust making holding 1.36m (11.49 per cent).

Estates Property Investment Co.—Courtaulds Pensions Common Investment Fund has an interest in 1,103,125 ord shares (5.97 per cent).

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

British Vita announced the terms of an agreed bid for **Vita-Tex** the warped knitted fabric concern. Vita-Tex shareholders are offered three alternatives, including a cash offer of *120p per share. Trading in Vita-Tex shares resumed on Monday* at 118p, compared with the November 19 suspension price of 71p pending the result of bid talks.

Caparo Investments, the *Indian-owned group* with steel interests, has made a second bid for **Empire Plantations and Investments**, the Indian tea producer. Caparo purchased an *18.82 per cent stake* in Empire at 24p which, together with shares already owned by Caparo and its associates, lifts its stake to 43.48 per cent of Empire's voting capital. Under Takeover *Panel rules*, Caparo is obliged to extend a similar cash offer to remaining shareholders. Empire's Board will consider the bid when in receipt of the offer document, but meantime *recommends shareholders* to take no action.

Major UK housebuilders **Barratt Developments** made an agreed 48p per share cash bid for **Scottish Homes Investment**, *valuing the latter at £3.4m.*

The major deal of the week involved two overseas motor-car manufacturers. **Renault** of France and **Volvo** of Sweden are to *link their passenger car operations more closely*, which will result in Renault eventually acquiring 20 per cent of Volvo for around £36m. The deal involves cars only, other operations, including truck manufacturing, *will be permanently excluded.*

Blue Circle Industries is to sell its 10.2 per cent holding in **Genstar**, one of Canada's largest building and property groups, to Societe Generale de Belgique for C$69.7m (£27m), boosting the holding of the last-named in Genstar to over 30 per cent. Blue Circle should realise a £22m profit over book value on the disposal.

Montague L. Meyer, the UK's largest timber group, is paying £7m for **Van Riesen Beheer BV**, a Dutch timber merchant.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Antofag. Rail.	£41*	£45	£36	2.63	Turismo Inmob.	2/1
Cableform	90*	91	72††	4.33	*Tricentrol*	—
CGSB	43§§	41	36††	1.74	Manor Natl.	31/12
Clifford & Snell	44	35	35††	2.02	Ransome Hoffman Pollard	—
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	7/1
EMI¶¶	139	130	95	154.5	Thorn Elect.	—
Empire Plants.	24*	25½	19½	0.8	Caparo Invs.	—
FPA Const.¶¶	15	15	18	1.17	Heywood Williams	—
Harrott	80*	80	38	0.29	Knndy. Smale	—
Highland Distills.	130*	145	102	79.83	Hiram Walker-Gooderham	—
Nationwide Leisure	6*§	6½	9	0.66	Rantlodge	—
Sandeman (G.)	150*	148	85	16.98	Seagram	—
Scottish Homes	48*	45	43	3.36	Barratt Dev.	—
Spillers¶¶	44½	45½	39½	65.51	Dalgety	—
Vita Tex	£12*†	116	71	4.03	British Vita	—
Wallis Fashion	35*	32	38	2.50	Sears Hldgs.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 21/12/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Attock Petroleum	June	34L	(64)	—	(1.5)	—	(—)
Bluemel Brothers	Sept.	189	(313)	4.4	(7.2)	3.82	(3.82)
BOC International	Sept.	72,700	(66,500)	11.4	(8.5)	4.2	(3.5)
Cronite	Sept.	480	(263)	11.0	(5.8)	2.94	(2.66)
Eldrige Pope	Sept.	1,430	(1,320)	7.8	(4.3)	8.25	(6.85)
Granada	Sept.	39,009	(34,034)	15.3	(10.4)	3.94	(2.14)
Greenall Whitley	Sept.	16,070	(11,540)	13.2	(10.6)	5.25	(2.93)
Hawkins & Tipson	*Aug.*	437	*(1,100)*	*3.0*	*(14.4)*	*1.0*	*(3.46)*
Jackson (J. H. B.)	Sept.	3,020	(2,780)	8.8	(6.5)	1.4	(1.01)
Martin Newsagnt.	Sept.	3,360	(3,160)	45.1	(35.8)	8.5	(7.37)
MEPC	Sept.	14,062	(10,276)	6.8	(5.4)	5.0	(3.83)
Nth. British Steel	Sept.	7	(1,007)	9.7	(11.8)	2.02	(2.03)
Northern Foods	Sept.	25,477	(22,397)	13.3	(13.0)	4.5	(3.75)
Nottingham Brick	Sept.	641	(635)	42.5	(63.8)	18.06	(12.9)
Plaxtons (Sc'boro)	*Sept.*	3,320	*(3,420)*	*38.8*	*(26.1)*	7.25	*(4.75)*
Redman Heenan	Sept.	3,407	(2,812)	15.2	(13.4)	4.0	(2.03)
Silverthorne Grp.	Sept.	274	(274)	5.5	(4.2)	1.5	(1.5)
Spencer Clarke	Sept.	562	(157)	10.2	(1.9)	2.56	(2.39)
Thos. W. Ward	Sept.	15,090	(11,831)	23.2	(17.2)	6.21	(4.74)
Unochrome Intnl.	Sept.	860	(222)	2.3	(0.1)	0.4	(2.33)
Wearra Group	Sept.	548	(445)	12.8	(10.4)	2.04	(1.46)

Rights Issues

Associated British Engineering: Raising £836,000 on the basis of four new ordinary shares for each preference share and one for one in ordinary shares.

Charles Clifford Industries: Raising £0.57m on the basis of one 12 per cent cumulative convertible preference share of £1 at £1.20 for every four shares held.

* Approximate figures before expenses.

Scrip Issue

Marston, Thompson and Evershed: One-for-one.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AB Engineering	Sept.	31	(43)	—	(—)
Booth (John)	Sept.	56L	(128)	—	(—)
Border TV	June	149L	(107)	—	(—)
British Steam	Sept.	1,530	*(1,230)*	1.5	*(1.25)*
Brownlee	Sept.	838	(405)	1.0	(0.6)
Caffyns	Sept.	544	(532)	2.2	(2.2)
Caird (Dundee)	Sept.	92	(51)	—	(—)
Chapman (Blhm.)	Sept.	296	(408)	1.63	(1.63)
Cohen (A.)	June	942	(327)	2.37	(2.15)
Cooper Industries	Oct.	440	(1,280)	0.6	(0.5)
County and Dist.	Sept.	309	(292)	0.59	(0.32)
Crown House	Sept.	1,688	(1,475)	2.25	(2.0)
Dom Holdings	Sept.	704	(535)	1.97	(1.79)
Edbro Holdings	Sept.	460	(1,590)	2.27	(2.27)
ERF	Oct.	1,750	(1,610)	2.1	(0.34)
Estates and Agcy.	June	47	(28)	—	(—)
Ferranti	Sept.	3,500	(3,200)	2.9	(1.92)
FMC	Oct.	630	(609)	—	(—)
Forminster	Oct.	774	(641)	1.68	(1.54)
Gresham Inv. Tst.	Sept.	577	(502)	0.88	(0.8)
Harris (Philip)	Sept.	372	(479)	1.45	(1.45)
Hazlewoods	Sept.	251	(204)	1.65	(1.65)
Heywood Willms.	Oct.	514	(372)	2.1†	(1.5)
Hoffnung (S.)	Sept.	597	(738)	1.49	(1.49)
Hollis Brothers	Sept.	501	(1,010)	1.4	(1.3)
Kennedy Smale	Sept.	337	(244)	1.4	(0.88)
Laurence Scott	Sept.	1,570	(465)	—	(2.0)
Linfood Holdings	*Nov.*	*5,080*	*(2,950)*	*3.5*	*(3.0)*
LMS	Sept.	3,130	(1,080)	0.4	(0.34)
Marston Thmpsn.	Sept.	3,080	(2,530)	1.25	(0.86)
Monk (A.)	Aug.	955L	(1,300)	—	(1.0)
Natl. Carbonising	Sept.	206L	(155)L	0.7	(—)
Negretti and Zam.	Sept.	408L	(21)	—	(—)
Norton & Wright	Sept.	644	(740)	1.28	(0.73)
Nova (Jrsy.) Knit.	Sept.	169	(152)	1.5	(1.0)
Patrsn. (R.) Sons	Sept.	210	(182)	0.63	(1.04)
Petbow Holdings	Sept.	576L	(1,130)	1.5	(1.5)
PHIT	Sept.	1,070	(1,170)	1.15	(1.0)
Plysu	Oct.	1,238	(660)	0.66	(0.34)
Premier Oil	Sept.	83	(272)	—	(—)
Radiant Metal	Aug.	119	(74)	1.0	(0.55)
Russell Brothers	Aug.	11	(41)	1.25	(1.25)
Saint Piran	Sept.	1,164	(1,754)	1.0	(1.5)
Scott. & Newcstl.	Oct.	22,600	(21,600)	1.5	(1.45)
Siebe Gorman	Sept.	1,950	(2,100)	2.51	*(2.4)*
Tex Abrasives	Sept.	161	(170)	0.75	(0.75)
Unigate	Sept.	18,300	(15,100)	2.0	(1.5)
Ward and Gldstn.	Sept.	1,090	(1,400)	0.9	(0.9)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
† Gross.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.390	—	—	5	9.50	—	—	F.315.50
ABN C	F.340	—	—	7	1.40	—	—	"
ABN C	F.350	—	—	9	1.30	—	—	"
AKZ C	F.22.50	—	—	10	3	—	—	F.25.40
AKZ C	F.25	—	—	9	1.50	47	2.10	"
AKZ C	F.27.50	—	—	69	0.60	10	1	"
AKZ P	F.25	22	1.50	—	—	—	—	"
AKZ P	F.27.50	—	—	—	—	7	4.50	"
HO C	F.22.50	—	—	1	1.60	—	—	F.21
KLM C	F.70	—	—	1	8	—	—	F.75.60
KLM C	F.80	57	1.10	36	3.50	6	5.80	"
KLM C	F.90	46	0.20	14	1.70	—	—	"
KLM C	F.100	—	—	4	0.80	—	—	"
KLM P	F.70	55	1	—	—	2	5.20	"
KLM P	F.80	45	6	1	7.50	15	9.60	"
KLM P	F.90	5	15.70	5	16	—	—	"
NN C	F.100	10	20	—	—	—	—	F.119.50
NN C	F.120	3	2.20	—	—	—	—	"
NN C	F.125	—	—	7	3.50	—	—	"
PET C	Fr.5000	6	650	3	810	—	—	Fr.5580
PHI C	F.20	10	1	5	2	1	2.50	F.20.60
PHI C	F.22.50	120	0.20	6	0.80	3	1	"
PHI P	F.20	—	—	—	—	5	0.70	"
PHI P	F.22.50	5	1.70	—	—	6	2.30	"
PHI P	F.25	1	4.20	—	—	—	—	"
PRD C	$30	65	⅛	—	—	—	—	$28¼
PSA C	F.300	—	—	2	13	—	—	F.283
RD C	F.140	—	—	10	15.20	—	—	F.148.70
RD C	F.145	—	—	5	11.60	—	—	"
RD C	F.150	69	2.90	90	7.90	75	9.60	"
RD C	F.160	50	0.60	32	3.90	—	—	"
RD P	F.140	40	0.20	—	—	—	—	"
RD P	F.145	25	0.60	—	—	—	—	"
RD P	F.150	172	2.70	—	—	—	—	"
RD P	F.160	—	—	3	11.50	10	13.50	"
UNI C	F.115	—	—	2	6.80	—	—	F.114.40
UNI C	F.120	—	—	20	4	—	—	"
XON C	$55	10	2⅛	—	—	—	—	$55⅞
		Feb.		May		Aug.		
BA C	$50	—	—	2	4⅞	—	—	$49¾
SLB C	$90	—	—	—	—	1	13⅛	$92⅛
SLB C	$100	1	2⅛	2	6⅛	—	—	"
		Dec.		March		June		
GM C	$50	115	1⅞	100	4⅛	—	—	$51⅛
TOTAL VOLUME IN CONTRACTS						1582		

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Julian S. Hodge	18 %
A P Bank Ltd.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	*17 %*	*Industrial Bk. of Scot.*	*17½ %*
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½ %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	London Mercantile	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½ %	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	*Norwich General Trust*	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	*Shenley Trust*	19 %
C. E. Coates	17 %	Standard Chartered	17 %
Consolidated Credits	17 %	Trade Dev. Bank	17 %
Co-operative Bank	*17 %	Trustee Savings Bank	17 %
Corinthian Secs.	17 %	Twentieth Century Bk.	17 %
The Cyprus Popular Bk.	17 %	United Bank of Kuwait	17 %
Duncan Lawrie	17 %	Whiteaway Laidlaw	17½ %
Eagil Trust	17 %	*Williams & Glyn's*	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½ %		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

ERRATUM

To Investment Trust Table published 21.12.79. Valuation Monthly: G.T. Management, Northern Securities Trust, Col. 7 should read *187.0.*

INSURANCE BASE RATES

† *Property Growth*	13½%
† Vanbrugh Guaranteed	14.62%

† Address shown under Insurance and Property Table.

CORAL INDEX: Close 415-420 (−3)

APPOINTMENTS

Changes at Amalgamated Metal

Mr. Michael Connor has been elected chairman of AMALGAMATED METAL TRADING from January 1. Sir John Saunders, chairman since May, 1977, has decided to reduce his City commitments and will retire on *December 31. Mr. Connor is* executive deputy chairman of Amalgamated Metal Trading, and a director of Amalgamated Metal Corporation.

Other changes on the board of AMT involve the resignation of **Mr. V. H. Sher** (who remains director of corporate finance of AMC) and the appointment of ***Mr. K. D. Latcham and Mr. M. A. Sharpley.***

★

Dr. Fritz Laager has been appointed a manager of BANK JULIUS BAER AND CO. AG, Zurich, from January 1.

★

The Prime Minister has reappointed **Mr. Michael Robbins**, *and* **Mr. Elliott Viney** as governors of the MUSEUM OF LONDON. Mr. Robbins is managing director, railways, London Transport executive. Mr. Viney was director of the British Printing Corporation.

★

Mr. Niklaus C. Baumann has been named a partner in the Basle private bank H. STURZENEGGER AND CIE. BANQUIERS, from January 1.

★

Mr. J. Taylor is being appointed a director of BACON EVERITT MORRIS AND ASSOCIATES, part of the Devitt Langton and Dawnay Day Group, from January 1.

★

The KLEEMAN PLASTICS GROUP has appointed **Mr. Ken Lloyd** (previously with Glacier *Metal Company) as director and* general manager of Comoy Components.

★

Following the acquisition of BRITISH NATIONAL LIFE INSURANCE SOCIETY by *Armco Equity Corporation of the* U.S., the new Board will be: **Mr. H. T. Cohn, Mr. L. J. Cordle** (managing director), **Mr. P. G. Barnard, Mr. D. W. Ingram, Mr. A. W. McCall, Mr. J. P. Manning, Mr. G. D. Miller and Mr. C. P. Scott.**

★

NEXOS OFFICE SYSTEMS states that **Mr. P. E. Hooton** is to join its main Board as sales and marketing director on January 1.

★

Mr. Christopher Nelson, formerly executive director of Eden Vale, has taken over EXPRESS CREAMERIES as executive director. His place at *Eden Vale is taken by* **Mr. Paul Wilkinson.** Express Creameries is the cheese and butter division of Express Dairy Foods.

★

Mr. George Helsby, in addition to being group managing director, has been appointed chief executive of the construction division of BURNETT AND HALLAMSHIRE HOLDINGS. He succeeds **Mr. Joseph M. Slater** who has resigned as chief executive of the construction division for health reasons, together with his directorships of Camm (B and H) and Hallamshire *Industrial Estates. He remains a* director of the parent company.

★

Mr. P. H. Dean has been elected president of THE MINING ASSOCIATION of the United Kingdom for the coming year and **Dr. A. W. Smith** has been elected vice-president. **Mr. R. H. Samuel** and **Mr. G. D. Tikkanen** *have been elected to* the council of the association. **Mr. S. J. Whiteman** will retire as secretary of the association on December 31 and will be succeeded by **Mr. L. H. Snelling.**

★

Mr. B. Mee and Mr. P. F. Davis join the Board of PETER BROTHERHOOD, Peterborough, on January 1.

★

Sir Henry Chilver has been appointed a non-executive director of POWELL DUFFRYN from January 1. He is vice-chancellor of Cranfield Institute of Technology. He is also a non-executive director of De la Rue, Delta Group, English China Clays and SKF (UK), and is a member *of the south-east regional Board* of National Westminster Bank.

★

Mr. Roy H. Stevens has been appointed a director of NORTHFLEET TERMINAL, a wholly-owned subsidiary of Bowater-Scott Corporation. He is fibre supplies manager for Bowater-Scott.

★

Mr. F. H. Atkinson has been appointed senior principal surveyor in charge of the OFFSHORE SERVICES GROUP, in succession to Mr. G. P. Smedley. Mr. Atkinson joined Lloyd's *Register in 1955.*

★

Mr. Michael Borlenghi, has been appointed chairman of TOTECTORS, manufacturer of safety footwear, following the retirement of **Mr. Michael Rathbone.** *Mr Borlenghi has also* been appointed chief executive of GKN's new general industries division.

★

Mrs. Elizabeth Fairbairn has *been appointed an executive* director of EDINBURGH FINANCIAL AND GENERAL HOLDINGS.

★

Dr. Max Steiner will retire from the group management of *SULZER BROTHERS, Winterthur*, on May 7, and will be succeeded by **Mr. Peter Sulzer.**

★

Mr. John Mays has joined GRINDLAY BRANDTS INSURANCE BROKERS as the director *responsible for the overseas* offices of the insurance group in Riyadh, Singapore and Jakarta.

★

Mr. John D. Harris has joined BANKERS TRUST COMPANY as a vice president. He is resident in Hong Kong as a director of BT Asia, the wholly-owned *merchant banking subsidiary of* the Bankers Trust group in the Asia-Pacific region.

★

Mr. E. K. Constable is appointed a director of NORMAN FRIZZELL LIFE AND PENSIONS *from January 1.*

★

The MANCHESTER SHIP CANAL *COMPANY states that* **Mr. R. J. F. Taylor**, formerly an executive director of Ocean Transport and Trading, will join the company on January 1 as general manager.

★

Mr. Michel M. Favre has been appointed vice-president, international and hotel division, of the Swiss catering concern MOEVENPICK - UNTERNEHMUNGEN, Adliswil. He was formerly general manager for the Intercontinental Group in the UK.

★

Mr. Alan R. Deal has been appointed chairman of E. J. RILEY upon the retirement of **Mr. John W. Hindle.** Mr. Deal, a chartered accountant, has been vice-chairman of E. J. Riley since its introduction to the Stock *Exchange in 1977.*

★

Mr. John Kinning, assistant *managing director, has been appointed* managing director of J. AND H. B. JACKSON. **Mr. P. J. White**, the chairman, continues as chief executive. **Mr. R. F. Hayes** has been appointed secretary of the company.

★

Mr. Martin Pendred has been appointed assistant director of the banking division of STANDARD CHARTERED MERCHANT BANK. **Mr. Thomas Pomeroy** has been elected assistant director of the international bonds division.

Chairman of Scottish Equitable

Mr. Ronald K. Will is to become chairman of SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY at the annual meeting on March 20. He will succeed **Mr. Ernest Dawson.** Mr. Will, *senior partner of Dundas* and Wilson, is the Deputy Keeper of Her Majesty's Signet and has been a director of *Scottish Equitable for 14 years.*

★

Mr. John G. Davis has been appointed a member of the POTATO MARKETING BOARD for three years from November 6, 1979.

★

Mr. David G. Fine has been appointed chief executive of POLYGRAM LEISURE UK.

★

BRITISH AEROSPACE DYNAMICS GROUP has made the following appointments: **Mr. T. T. Anderson** has become executive *director commercial*, **Mr. J. P. Corbett** is appointed executive director sales, **Mr. J. A. Holt**, executive director, development engineering and **Mr. R. M. Manton**, executive director, finance. **Mr. S. A. Smith**, Bristol director and general manager has been made executive director responsible for personnel and administration on the Dynamics Group main Board and will shortly be transferring to the Stevenage headquarters.

★

Mr. Bill Moffat has been made vice-president for corporate *development for NATOMAS.* He succeeds **Mr. John M. Seidl**, who has become executive vice-president of Natomas Energy Company, a new subsidiary composed of the company's worldwide petroleum, geothermal energy and coal mining operations.

★

Mr. E. Norris has been appointed chairman of both Hartley Cooper Holdings and Hartley Cooper and Company. **Mr. M. J. Grint** has been appointed chairman of Hartley Cooper UK.

★

Mr. J. P. F. Ive has resigned on grounds of ill-health as chairman and as a director of HARTLEY COOPER HOLDINGS and *also as chairman of both Hartley* Cooper and Company and Hartley Cooper UK.

★

Dr. Frank McCapra, reader in chemistry at the UNIVERSITY OF SUSSEX, has been promoted *to a professorship from October 1, 1980.*

WORLD STOCK MARKETS

NEW YORK

Early easiness on Wall St.

PRICES EASED in active trading on Wall Street yesterday, pulled down by profit-taking in the Energy Group and year-end tax selling.

By 1 pm the Dow Jones Industrial Average was off 2.13 at 841.21, making a net loss of 1.54 on the week, while the NYSE All Common Index at $61.87, shed 21 cents on the day and 48 cents on the week. Declines led advances by a seven-to-five majority in a volume of 26.43m (28.73m) shares.

Analysts said news of a 1 per cent rise in November Consumer Prices was discouraging but not as bad as some had expected.

The near-term trend of interest rates remained clouded but Citibank held its prime rate unchanged at 15 per cent.

The Stock Market was basically trendless and could remain so until institutional portfolio switching abates, added analysts.

U.S. Steel eased $¼ to $17⅛—it dropped plans to raise steel sheet prices 3.3 per cent on January 1 but will go ahead with previously announced increases in other products.

Closing prices for North America were not available for this edition.

National Semiconductor dipped $¾ to $34¼, despite reporting higher fiscal second quarter profits.

Active Chrysler gained $¼ to $7¾—Congress Thursday night passed a $3.5bn Aid Package for the ailing car maker.

Among Oils, active Exxon shed $¼ to $55¼, Indiana Standard $¾ to $79¾, Texaco $¾ to $29¾, California Standard $1½ to $56½ and Mobil $1 to $57¾.

Volume leader Central and Southwest Corporation held unchanged at $13¾—blocks of 102,600 and 101,600 shares traded at $13¾.

Active Texas International advanced $1¼ to $19¼—UNC Resources still wants to buy Texas International despite a rebuff. UNC, which had offered $22 a share, slipped $¼ to $22¼.

Manufacturers Hanover gained $1 to $32 after raising its dividend.

THE AMERICAN SE Market Value Index slipped 0.23 to 243.00, reducing its rise on the week to 2.39.

Oil shares were mixed. Among the actives, Asamera Oil added $⅝ at $21½ and Dome Petroleum $¼ at $43, but Gulf Canada slipped $½ to $100 and Houston Oil $¼ to $23¼.

Canada

Markets were mainly firmer in heavy trading around noon yesterday, when the Toronto Composite Index rose 0.3 points to 1,788.2.

The Metals and Minerals Index moved up 11.2 to 1706.2, Papers 1.28 to 167.75 and Utilities 0.23 to 247.32, but Golds lost 23.9 to 2374.2, Oil and Gas 10.7 to 3748.9 and Banks 0.79 to 305.75.

Tokyo

Prices closed higher in active trading, although initial gains were curbed by late profit-taking. Volume 570m (520m) shares.

OPEC's failure to agree on oil prices hardly affected the Stock Market, with Blue Chips and "populars" firming in line with the overnight uptrend on Wall Street.

Electricals firmed on the expected sharp rise in Japanese production of tape recorders and colour video tape recorders next year.

Non-ferrous Metals continued to rise in line with higher overseas gold prices.

Steels, Shipbuildings and Heavy Electricals higher, while Oils and Trading Houses fell on profit-taking.

Australia

Markets were generally firmer, with Hanimex up 32 cents at A$1.87, attracting main interest on news a buyer believed to be Burns Philip bought nearly half the company's issued capital at A$2.20 cum bonus, rights and dividend. Burns Philip is expected to bid for the remaining shares.

Elsewhere Ansett held unchanged despite TNT getting clearance for a bid for the company.

Diamonds continued firm, with Ashton rising 13 cents to A$2.85 and CRA to A$4.65, but Golds eased with Central Norseman falling 30 cents to A$5.30.

Coal Miner Oakbridge continued in the centre of takeover rumours, rising 5 cents to A$3.30, with industrial giant ACI named as possible bidder, while oil companies BP and Shell have also been named as possible Oakbridge buyers.

Johannesburg

Gold shares firmer after a fairly quiet day's trading.

Mining Financials were steady to firmer, but Genmin rose R2 to R19, Union Corporation 75 cents to R14.00, and Fedmynbou 50 cents to R13.50 in further reaction to news Union Corporation may become a wholly-owned Genmin subsidiary.

Industrials mixed in a thin turnover.

Hong Kong

Stocks firmed led by special situations, with Institutions the main buyers.

Hong Kong Wharf put on $HK 5.50 to 71.50 on continuing rumours shipping magnate Y. K. Pao, or Jardine Matheson with Hongkong Land may be moving to buy more shares in Wharf.

Stelux gained 15 cents to $HK 3.25 on rumours it may be moving to buy minority interests in Mai Hon.

Amsterdam

Prices closed mixed.

Ennia shed Fl 0.50 to 133.5 despite its 23 per cent increase in net profit for the first nine months.

State Loans edged higher.

Paris

Most sectors, except Foreign stocks showed moderate gains in reasonably active trading.

Support again came largely from investors seeking to take advantage of tax benefits under the "Monory Law" before the [end] of the year.

Lack of agreement am[ong] OPEC members in Ca[racas] seemed to have had little e[ffect] on the market.

Electricals, Properties [and] Investment Companies led [...] Oils, Chemicals, and Rub[...] were steady.

Stores and Engineer[ing] tended irregular, while S[...] were weak.

In Foreign stocks, [...] Canadians and Coppers [...] ground, while Germans, Du[tch] Oils and Gold Mines [...] irregular.

Germany

Leading shares mixed [...] mostly weaker in thin busin[ess].

Conti Gummi rose DM 2[...] DM 45.5—it said parent c[om]pany sales are likely to ris[e ...] per cent this year.

In the Domestic Bond Mar[ket] Public Authority Loans w[ere] mixed. Mark Foreign Loans [...] were mixed.

Milan

Prices closed margina[lly] higher, benefiting from techni[cal] factors. Trading, however, [was] extremely slow in view of [the] long closure of the Stock Mar[ket] for the Christmas holidays. T[he] Exchange reopens next Thursd[ay].

Switzerland

Barely steady in a thin s[es]sion, with Banks trading in [a] narrow range apart from Ba[nk] Leu Bearer and Participati[on] Certificate and also Gotthar[d] bank Participation Certifica[te] which were among few high[er] issues.

In Financials and Insuranc[e] losses slightly outnumber[ed] gains.

Domestic Bonds were stea[dy] and Foreign Bonds slight[ly] higher with only a few orde[rs] placed to square positio[ns] before the year end.

In the Foreign sector, Doll[ar] stocks traded a shade belo[w] overnight New York leve[ls], Dutch Internationals we[re] steady, Germans mixed.

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

SINGAPORE

HONG KONG

SOUTH AFRICA

JAPAN

BRAZIL

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
RCA	435,300	22⅛	+½	Engelh'd Minerals	334,600	59⅝	−⅛
Chrysler	461,300	7¾	—	Citicorp	314,100	23⅞	+⅜
Williams Co.	418,100	30⅞	+¾	Howard Johnson	312,500	23⅛	+⅞
K Mart	378,300	24	−⅛	Boeing	308,300	49⅞	+⅛
IBM	369,300	65	+½	Mobil	299,100	68⅝	+⅛

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هكذا من الأصل

DEUTSCHE BABCOCK

Order boom boosts 1980 outlook

DEUTSCHE BABCOCK, the West German power engineering and plant construction group, recorded a sharp increase in sales and new orders during the 1978-79 business year, despite sharpening overseas competition and the uncertainties surrounding nuclear power in Germany.

The concern decided at a Supervisory and Executive Board meeting this week to maintain the 1977-78 dividend payment of DM 8 per DM 50 ordinary share and DM 8.5 per preference share. The group's performance has been helped by a number of factors which should persist well into 1980—above all a general upswing in the German economy and a favourable investment climate which has revived domestic demand.

Sales increased by 19.1 per cent to DM 4.42bn ($2.54bn), 58 per cent of which was based on foreign business. New orders for the business year (ended September 30) increased by 29.8 per cent to DM 5.94bn with foreign orders accounting for 57 per cent. Babcock entered the current business year with orders in hand of DM 9.88bn, a 17.7 per cent improvement over last year.

The jump in sales partly reflects the invoicing of large-scale overseas orders—this is in spite of the problems that the company has been experiencing on overseas markets because of the strength of the Deutschemark against such currencies as the yen and the dollar. The yen has fallen some 30 per cent against the DM this year which has given the Japanese a considerable price-competitive edge.

The other problem facing Babcock in the 1980s is that of the effective freeze on nuclear power projects in Germany and the decline in domestic demand for conventional power stations.

Babcock has faced both these problems by increasing direct production abroad, especially in the U.S., South America and South Korea, by diversifying away from directly related power station work into plant construction (which now accounts for over 50 per cent of business) and by acquiring growth orientated product lines. Babcock is thus prepared should the difficulties dogging nuclear power continue throughout the decade. If there is a major swing to coal-fired power stations to fill the energy gap, Babcock will be able to leap in with its newly-acquired expertise in pipe manufacture and environmental and civil engineering.

Olivetti agrees labour cutbacks with unions

By Paul Betts in Rome

OLIVETTI, the leading Italian mechanical engineering and electronics group, yesterday reached what it claimed was a "major agreement" with the trade unions over the company's plan to rationalise its current labour situation.

This originally raised a major confrontation with the trade unions which led to severe labour unrest at Olivetti plants during the past few months.

Olivetti earlier announced it planned to lay-off some 4,500 of its 60,000 workers during the next two years as part of a major restructuring programme.

The agreement reached yesterday between the company and the unions followed the intervention of Sig. Vincenzo Scotti, the Italian labour minister.

With union consensus, Olivetti is now to lay-off next year some 750 workers next month.

Dividend expected from SSIH

BY JOHN WICKS IN ZURICH

THE SWISS watch industry concern, Societe Suisse pour l'Industrie Horlogere (SSIH), of Bienne expects to be able to resume dividend payment for the holding company's financial year ending March 31, 1980. Dividend distribution has been suspended for several years because a profitability squeeze which led to net losses in the three years 1975 to 1977, and a small net profit of only SwFr 1.5m ($937,500) last year.

Sales of the group for calendar 1979 are expected to be rather higher than the SwFr 645.6m ($403.5m) recorded for last year. Satisfactory business is recorded for the "Omega" and "Tissot" watch brands and for a number of other activities including the retail business, while the equipment sector and particularly the cheaper watch brands continued to meet with considerable difficulties. Since the share of low-priced watches has declined to only 11.3 per cent of group turnover, SSIH has decided to close the Geneva subsidiary Aetos Watch and to limit the activities of the New York-based Est considerably.

SSIH, which benefited from a substantial capital input by the Zurich trading house Siber Hegner, has itself taken over the Belgian sales company Ultimo Watch, the New York agent Norman Morris Corporation and the Star Watch Case, of Ludington, Michigan, in the past months. From the start of next year, Omega Watch Corporation is to be created in New York as a new subsidiary of SSIH (U.S.) Corporation.

For 1979, the group expects a higher cash flow than that of SwFr 10.2m ($6.37m) shown for last year and a rise in consolidated next profits of SwFr 2.1m ($1.31m).

Kenana plant to open shortly

BY ALAN DARBY IN KHARTOUM

THE KENANA sugar scheme in Sudan, conceived and managed by Lonrho, is now expected to produce its first sugar in late February or early March 1980, according to the company's chairman, Dr. Beshir Abbadi.

This target is two years later than the start-up date envisaged in 1975, when construction of the plant, the largest single unit in the world began on the site 180 miles south of Khartoum.

Dr. Abbadi said that the cost estimate of $600m calculated in 1977, was being met. The original cost estimate was $113m in April 1973.

The Kenana Sugar Company is, however, trying to increase its capital from sources within the Arab world in order to meet operational costs and debt servicing. An earlier proopsal that the Kuwait government would increase its stake in the $189.75m capital of company from 18.5 per cent has not come to fruition.

The factory itself is now to be managed by Arkell International, a U.S. company which made the overall design, under a three to five-year contract.

The Sudan Government is the biggest shareholder in Kenana. Other major shareholders include the Saudi Arabian Government and the multi-state Arab Investment Company. Lonrho has a 3.24 per cent stake, but was removed from the management of the company in May 1977.

Winsor Industrial raises interim

BY OUR FINANCIAL STAFF

HONG KONG textile group, Winsor Industrial, is lifting its interim dividend by 2 cents to 12 cents a share on the back of sharply higher profits for the six months ended September 30.

Net profits before extraordinary items are 31 per cent ahead at HK$59.1m ($12m) compared with HK$45.1m. Group chairman Tk Ann said yesterday that he expected the results for the year as a whole to compare favourably with 1977-88.

TNT bids for joint ownership of Ansett

By James Forth in Sydney

THOMAS Nationwide Transport (TNT) plans to make a A$48.5m (US$53.6m) offer to buy the remaining 27.5 per cent of the capital of Ansett Transport Industries (ATI) held by the public.

The News press group, headed by Mr. Rupert Murdoch, already holds 50 per cent of the airline, transport and television group, and Mr. Murdoch has taken over as chief executive from the 70-year-old chairman and founder, Sir Reginald Ansett.

But News apparently has no desire to buy any further shares because it would need to consolidate ATI in the News accounts. ATI has heavy liabilities, mainly for aircraft purchases and faces further major aircraft orders soon, and the inclusion in the News accounts would affect its gearing ratios.

TNT attempted to acquire ATI in 1972 but was unsuccessful and entered into an agreement which limited its maximum holding in ATI to 23.5 per cent. When News gained its stake, TNT asked to be released from this undertaking but this was denied by the ATI directors. The ATI Board has since been altered with three News representatives, including Mr. Murdoch, appointed.

The reconstituted ATI board met for the first time yesterday and released TNT from its agreement. TNT responded by announcing that it proposed to offer A$2.25 a share "to those Ansett shareholders who wish to accept." This is the same price paid by TNT earlier this month to the life office, the AMP Society, for a strategic 1.75 per cent.

Because TNT was still slightly below its permitted maximum, the group has also been buying in the stock market at a slightly lower price of A$2.20. TNT's broker, Ord Minnett, was still buying yesterday at this price.

TNT now holds 22.5 per cent of the capital and if its offer succeeds will jointly own ATI with News on a 50-50 basis. This would combine the expertise of TNT in transport and News in television. However, ATI will be forced to sell one of its two television stations because of existing legislation.

Isuzu expected to form its own sales network in U.S.

BY STEWART FLEMING IN NEW YORK

GENERAL MOTORS confirmed yesterday that it is expecting Isuzu Motors, the Japanese company in which it has a 34 per cent stake, to start exporting independently to the U.S.

Reports from Tokyo have indicated that Isuzu is moving ahead rapidly towards establishing its own export programme in the U.S., possibly in co-operation with C. Itoh and Co., a major Japanese trading house.

Hitherto, Isuzu had been marketing its cars in the U.S. through the General Motors sales network. But within the past six months, General Motors has ceased selling Isuzu vehicles under the Opel trademark in the U.S., although it is still selling a small truck, the "Luv."

Initially, the subcompact Opel vehicles had been imported from Germany but subsequently the German vehicles became too expensive and GM switched its supply base to Japan.

GM's shift towards producing more compact and subcompact vehicles, however, is bringing it into competition with Isuzu. Hence the Japanese company's decision to distribute independently through U.S. dealers.

GM said it does not anticipate that the shift in policy will have any effect on its own relationship with Isuzu beyond the change in supply relationships.

National Semiconductor advance

BY OUR FINANCIAL STAFF

NATIONAL SEMICONDUCTOR, the major manufacturer of semiconductor components which in September took over the IBM compatible computer operations of Itel Corporation, has recorded another sharp rise in earnings in the second quarter of the year.

Share earnings for the first half have risen to $1.26 from $1.23 a share—well on target for analysts' forecasts that earnings for the full year will show a moderate gain over last year's 2.57 a share. Total net for the six months is 40 per cent up at $23.6m, on sales 27 per cent higher at $449.3m.

In the second quarter, earnings rose by 36 per cent to $11m, or from 61 cents to 81 cents a share. At $207.3m, sales grew by 23 per cent.

New semiconductor orders remain at a high level, said the company.

The sustained demand for the group's products has continued, from military aerospace, data processing and industrial customers.

National said the memory products continue to remain in high demand and shipments reached a new high in the second quarter.

It noted that its results for the second quarter did not include computers. According to an agreement, all revenues and earnings from shipments of IBM-compatible systems will be for Itel's account until December 31.

The IBM-compatible marketing, service and support operations transferred from Itel are progressing satisfactorily.

The company expects continued improvement consistent with its long-term return on investment objective.

New plan for Petro-Canada

By Robert Gibbens in Montreal

MR. JOE CLARK, the Canadian Premier, has confirmed that a re-elected Progressive Conservative Government would retain effective control of the national oil company Petro-Canada, set up by the Trudeau Government about five years ago.

A large proportion of Petro-Canada's shares would, however, be given away to Canadian citizens, or sold to them.

This is a reversal of the Clark commitment before the May 22 Federal Election to hand back Petro-Canada to the private sector completely.

Mr. Clark confirmed that a re-elected Government would retain one-third of the shares and every Canadian adult would have the opportunity to take up five free shares. The remainder of the shares would be sold to citizens and institutions, and the limit for any one shareholding would be 3 per cent of the total issued. Only Canadians would be eligible to hold Petro-Canada shares.

He said that Petro-Canada would be authorised to become a major energy resources corporation, expanding into all energy sectors.

COMMODITIES/REVIEW OF THE WEEK

Producers' pact lifts cocoa market

BY OUR COMMODITIES STAFF

News that cocoa producing countries had agreed on a minimum price below which they would not export to the world market boosted London futures values early in the week.

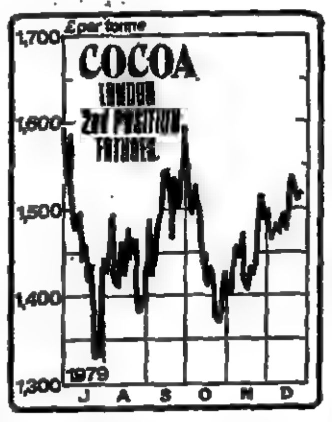
Further consideration led many brokers to doubt the significance of this development, however, and prices tended to ease in mid-week. But after a £9 rise yesterday ahead of the long Christmas holiday March delivery cocoa ended the week £45 up at £1,518.5 a tonne.

The producers' minimum price pact was reached at a special meeting held in Abidjan, the Ivory Coast capital, last week following the failure of last month's producer/consumer meeting in Geneva to reach accord on market stabilisation measures.

The market's initial reaction was that the producers' scheme, which may include the creation of a price support fund and long-term stockpiling provision, could have an impact comparable to that of the Bogota Fund created by coffee producers last year.

But later reports have raised doubts about the producers' unanimity in adopting the scheme. Rumours circulating in the London market suggest that the pact is the brainchild of the Ivory Coast, which has been withdrawn from the cocoa market for most of the current season, and Brazil, which has already sold most of its 1979 crop cocoa.

In any case the producers' will face an uphill struggle in their attempts to inject some buoyancy into a market which is faced with a considerable production surplus for the third successive year. A market report published by London brokers Gill and Duffus this week forecast that cocoa production will exceed demand by 75,000 tonnes, but it said there was no reason to expect a decline in prices.



Sugar futures prices also gained ground. The London daily raw sugar price ended the week £12 higher at £176 a tonne while the May position on the London futures market gained £3.60 to £185.45 a tonne.

Tin prices fell back following news that the U.S. Senate had finally passed the Bill authorising the sale of 35,000 long tons of tin from the strategic stockpile. It was thought that the recent move by the House of Representatives to exclude the sale of stockpile silver from the Bill might result in its being thrown out by the Senate but all that is required now is the final approval by the President. This is expected to come despite a strong protest from Bolivia after an emergency session of Parliament in La Paz claimed that the U.S. was committing "economic aggression" by deciding to sell stockpile tin.

The U.S. has pledged to consult the International Tin Council about the pattern of its sales, which it has promised will not disrupt the market. The plan is that 10,000 tonnes annually will be offered for sale, by sealed tender, over the next three years. But sales will not start at least until two months after President Carter has signed the Bill.

However, included in the Bill is the authorisation for the U.S. to contribute up to 5,000 tons to the buffer stock of the International Tin Council. At present tin prices are way above the Agreement's ceiling of $M 1,950 a picul, at which the buffer stock must sell, despite a sharp drop in the Penang market this week from an all-time peak of $M 2,171 to $M 2,111. On the London market cash tin rallied yesterday to £7,555 a tonne, £330 down on the week.

Silver prices rose to new all-time peaks this week. The London bullion spot quotation yesterday was 1,067.3 an ounce, 115.8p up on the week.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979 High	1979 Low
METALS					
Aluminium	£760/770	—	£710	£770	£710
Free Markets c.i.f.	$1750/1800	—	$1,200/20	$1 775	$1,210
Antimony					
Free Market 99.6%	$3200/3250	—10	$2,600/650	$3,225	$2,712.5
Copper Cash Wire Bars	£1,011.5	+26.75	£775.75	£1,090.5	£759
3 months Do. Do	£1,011.5	+26.75	£787.25	£1,093.5	£783.75
Cash Cathodes	£974.5	+25	£755.5	£1,062	£744.5
3 months Do	£991	+25	£774	£1,067	£757.25
Gold per oz	$478	+20.75	$216.575	$489	$216.625
Lead cash §	£536	+15.5	£429.75	£701.5	£406.75
3 months §	£518.5	+13	£403.75	£642.5	£420.75
Nickel	£3,260.17	—	‡	£3,260.17	£2,320.57
Free Market c.i.f. lb.	270/310c	—	164/175c	340c	166c
Platinum per oz.	£195	+18.5	£156	£195	£152
Free Market per oz.	£293.20	+35.25	£171.95	£293.20	£166.65
Quicksilver (76lbs.)	$375/380	+12.5	$152/57	$377	$160
Silver per oz.	1,067.30p	+115.8	295.75p	1,128.05p	269.4p
3 months per oz	1,102.80p	+121.8	304.05p	1,094.85p	305.7p
Tin cash	£7,555	—330	£6,927.5	£7,957.5	£6,320
3 months	£7,355	—217.5	£6,825	£7,620	£6,365
Tungsten Ind.	$137.75	—1	$145.56	$146.56	$127.94
Wolfram (22.04 lb)	$129.5/134	—	$134/40	$144/149	$120.5
Zinc cash	£343.5	—7.5	£342.75	£408.5	£275.5
3 months	£355.25	—8.25	£358.75	£423.5	£286.25
Producers	$780	—	$720	$845	$720
GRAINS					
Barley					
Home Futures	£97.40	+0.55	£85.75	£98.80	£85.5
Maize					
French No. 3 Yellow (Amer)	£120w	—	£107	£120	£105.5
WHEAT					
No. 1 Red Spring	‡	—	£96.50	£99.0	£92.0
Am. Hard Winter	£106.0	+0.8	£84.75	£111.75	£85.5
Eng. Milling (new crop)	‡	—	£96.5	£107.5	£45.5
SPICES					
Cloves (g)	$4,000z	—	$3,975	$4,000	$3,850
Pepper, white	$2,650z	—	$2,875	$2,850	$2 600
" black	$1,850z	—	$1,875	$1,925	$1 560
OILS					
Coconut (Philippines)	$875.0z	—15	$920	$1,175	$805
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	£395	—	£335	£441	£386
Palm Malayan	$665.0x	+2.5	$610	$720	$582.50
SEEDS					
Copra (Philippines)	$572.50	—17.5	$ 580	$745	$572.5
Soyabeans (U.S.)	$291.90x	—0.6	$289.5	$350.45r	$235.2*
OTHER COMMODITIES					
Cocoa Shipment	£1,579	+20	£1,992	£2,041	£1,446
F'ts 2nd pstn.	£1,518.5	+45	£1,941.5	£1,990.5	£1,330.5
Coffee Futures Jan.	£1,659	+6	£1,282.5	£2,089	£1,298.5
Cotton Index	82.70c	+0.55	78.35c	85.10c.	72.5c
Des. Coconut	£710	—	£710	£740	£700
Jute LJ ABW C grade	£225z	—	£280	£265	£226
Rubber kilo	64.50p	—1.75	57p	68p	55p
Sago Pearl	£216z	—	£184	£219	£178
Sisal No. 3 L	$885	—	$515/20	$885	$515
Sugar (Raw)	£176	+12	£99	£178	£92.5
Tapioca No. 1	£211xr	—	£174	£211	£157
Tea (quality) kilo	150p	+3	136p	155p	125p
" (plain) kilo	57p	—5	79p	82p	57p
Wooltops 64s Warp	275p kilo	—	270p kilo	295p kilo	262p kilo

* Nominal. ‡ Unquoted. (g) Madagascar. (x) Feb. (z) Dec./Jan. (w) Jan.

MARKET REPORTS

BASE METALS

COPPER—Higher on the London Metal Exchange in trading confined to the morning. Some end-year tightness later to check the trend. Forward metal but profit-taking entered the market widened the backwardation at first initially moved around £1,020 but could no thol dthi slevel, moving down... not hold this level, moving down gradually to close on the kerb near the day's low at £1,012. Turnover 18,500 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1016-7	+2	—	+2.5
3 months	1011-2	+1	—	+6
Settlem't	1017	+2	—	—
Cathodes				
Cash	974-5	—3	—	—.5
3 months	990-2	—.5	—	+2.5
Settlem't	975	—4	—	......
U.S. Prod	—	......	103-107	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,028, 28, 29, 26, 18, 17, three months £1,020, 19, 18, 19, 20, 19.5, 18, 19, 18, 17, 14, 12, 11, 12. Cathodes cash £977, 74, 75, 74, three months £993, 92. Kerb Wirebars three months £1,012, 11, 12, 14, 12.

TIN—Steadied after initial dullness reflecting the overnight fall in the East on GSA stockpile news. Forward metal moved up from under £7,300 on short covering to reach £7,360 before closing at £7,340. Turnover 800 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7550-60	—70	—	+55
3 months	7360-80	+25	—	+10
Settlem't	7560	—70	—	......
Standard				
Cash	7550-60	—70	—	+55
3 months	7350-60	+20	—	+10
Settlem't	7560	—70	—	......
Straits.E.	$2111	—58	—	......
NewYork	—	......	—	......

Morning: Standard cash £7,550, 45, 50, three months £7,350, 60, 55, 50, 40.

LEAD—Lost ground after initial firmness with a widening backwardation had seen forward metal at £525. But the price slipped back on profit-taking to finish on the Kerb at £519. Turnover 5,650 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	535-7	—4.5	—	+7
3 months	518-9	—7.25	—	+5
S'ment	537	—4	—	......
U.S. Spot	—	......	*57-59	......

Morning: cash £546, 37, 38, 37, 35, three months £525, 22, 20, 18. Kerb: three months £519.

ZINC—Moved narrowly as forward metal held in a range of £355-£357, the steadiness helped in early trading by the performance of copper. The close on the kerb was £355.5. Turnover 4,425 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	343-4	—12	—	+.5
3 months	355-.5	—8.5	—	+4
S'ment	344	—12	—	......
Prim w'st	—	......	*37.5	......

Morning: cash £345, three months £355, 55.5, 57, 58, 56. Kerb: three months £355, 55.5.

ALUMINIUM—Eased after initial firmness on buying set off by the Alcan price rise. Forward metal moved up from £847 to £848 before profit-taking clipped gains and led to a close on the kerb of £846. Turnover 4,175 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	865-6	—7	—	—4.5
3 months	845-.5	+5	—	+6.5

Morning: cash £866, 67, 66, 67, 65, three months £847, 48, 49, 48, 45, 46. Kerb: three months £847, 48.

NICKEL—Easier in subdued conditions lacking any fresh features. Absence of interest caused the forward price to slip to £2,940. Turnover 96 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2800-20	—55	—	—55
3 months	2900-10	—17.5	—	—55

* Cents per pound. $ $M per picul. † On previous unofficial close.

Morning: Three months £2,940.

SILVER

Silver was fixed 0.15p an ounce lower for spot delivery in the London bullion market yesterday at 1,067.3p, down 0.15p. U.S. cent equivalents of the fixing levels were: spot 2,344.0c, down 8.0c; three-month 2,413.6c, down 15.7c; six-month 2,465.4c, down 20.0c; and 12-month 2,548.9c, down 23.7c. The metal opened at 1,048-1,058p (2,300-2,400c) and closed at 1,067-1,087p (2,350-2,400c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1067.30p	—0.15	1054.0p	—11
3 months	1102.80p	—5.65	1085.5p	—2
6 months	1151.80p	—8.65	—	......
12months	1181.00p	—2.45	—	......

LME—Turnover 110 (169) lots of 10,000 ozs. Morning: Three months 1,085, 83, 85, 88, 85, 82, 85. Kerb: Untraded. Market closed at lunchtime.

COCOA

COCOA	Yesterd'y's Close	+ or —	Business Done
Dec	1475-76	—0.50	1485-70
March	1518-19	+9.0	1520-12
May	1516-18	+10.0	1518-10
July	1518-20	+10.0	1520-15
Sep	1529-34	+11.5	1532-25
Dec	1545-55	+12.5	—
March	1550-60	+10.0	1579-65

Sales: 698 (3,434) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price Dec. 20 145.71 (147.25), indicator price Dec. 21 15 day average 144.22 (144.13); 22-day average 143.42 (143.03).

COFFEE

Coffee futures opened as expected and in quiet trading eased £5-£10 from the previous levels, reported Drexel, Burnham, Lambert. With little incentive and no news near values continued to ease throughout the day whilst July forward positions held steady in thin volume. Values finally finished £14-£18 down on the nears and unchanged to £8 better on the forwards.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	1772-73	—18.0	1790-71
March	1658-60	—14.0	1671-57
May	1637-40	+2.0	1646-31
July	1628-39	+6.0	1632-15
Sept	1617-20	+3.5	1625-17
Nov	1599-02	+0.5	1602-95
January	1580-15	—	—

Sales: 2,341 (4,326) lots of 5 tonnes. ICS indicator prices for Dec. 20 (cents per pound): Other Mild Arabicas 192.67 (193.63). Robustas ICA 1976 177.00 (177.25). ICA 1968 177.25 (177.50). Unwashed Arabicas 213.50 (same). Comp. daily ICA 1968 198.20 (198.47).

GRAINS

LONDON GRAIN FUTURES—Grains opened 10-15p lower wheat values eased in fairly thin trading to close 40-45 down on the day. Barley saw a more active trading but values eased to close 45-50 down, despite some commercial buying interest. New crops again saw little interest and closed 20-30p lower on the day, reported Acli.

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterdays close	+ or —
Jan	95.95	—0.40	93.00	—0.50
Mar.	100.45	—0.40	97.40	—0.45
May	104.65	—0.45	101.45	—0.50
Sept	97.95	—0.30	94.80	—0.20
Nov.	101.55	—0.30	98.35	—0.20

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 97.00; E. Midlands 98.00. Feed barley: E. Midlands 91.20; N. East 91.30; Scotland 88.50.

Business done—Wheat: Jan. 96.30-95.90, March 100.75-100.35, May 104.95-104.65, Sept. 98.00-98.00, Nov. 101.55-101.55. Sales 173 lots of 100 tonnes. Barley: Jan. 93.40-93.00, March 97.80-97.40, May 101.80-101.45, Sept. 94.80-94.80, Nov. 98.45-98.45. Sales 361 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No 1 13½ per cent unquoted. U.S. Dark Northern Spring No 2 14 per cent Jan. 106.00, Feb. 107.50, March 108.50 transhipment east coast. U.S. Hard Winter 13½ per cent Feb. 106.00, March 107.00 transhipment east coast. EEC unquoted. Maize: U.S. Jan. 120.00 transhipment east coast. French Jan. 116.50 east coast. S. African White unquoted. S. African Yellow Jan. 82.00. Barley: English Feed fob Jan. 9.00, Jan./March 101.00, April/June 105.50 east coast.

RUBBER

The London physical market opened unchanged, with little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 294 (294.50) cents a kg (buyer, January).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Jan.	68.70-68.00	64.20-64.40	—
Feb.	67.50-68.00	65.40-65.00	68.00
Jan-Mar	69.90-70.00	68.50-68.55	70.05-69.70
Apr.-Jne	72.25-72.50	69.45-69.50	72.40-71.90
Jly.-Sept	74.60-74.70	71.80-71.90	74.50-74.70
Oct-Dec	77.05-77.20	74.05-74.10	77
Jan-Mar	79.45-79.50	76.45-76.50	79.70-79.10
Apr-Jne	81.90-81.80	78.60-78.90	—
Jly.-Sept	84.00-84.05	81.15-81.20	84.00

Sales: 36 (48) lots of 100 tonnes.

SOYABEAN MEAL

The market opened around overnight levels but there was a lack of selling interest over the day and prices gained ground in quiet conditions, reported C. Czarnikow.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
December	—	—	—
February	125.70-24.0	—0.25	124.00
April	122.40-22.9	—0.50	123.00
June	121.10-21.4	—0.15	121.50
August	122.10-22.5	—0.70	120.50-20.00
October	111.50-20.5	—0.55	122.00-21.50
December	122.00-22.5	—0.55	

Sales: 258 (454) at 15 tonnes, 2 (335) at 5 tonnes.

Physical closing prices (buyer) were: Spot 64.50p (64.00p). Feb. 67.50p (67.50p). March 69.50p (same).

SUGAR

LONDON DAILY PRICE (raw sugar): £176.00 (£178.00) a tonne cif for Dec.-Jan.-Feb. shipment. White sugar daily price was £187.00 (£190.00).

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	184.75-84.80	185.50-85.50	186.00-82.25
May	185.40-85.50	184.50-84.60	185.80-83.25
Aug	184.70-85.05	183.80-84.00	185.00-82.55
Oct	184.40-84.70	183.45-85.75	184.50-82.28

Sales: 3,387 (3,655) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only). May 184.00, 184.50; Aug. 183.00, 183.75; Oct. 183.25, 183.75; Jan. 182.00, 182.75; March 183.00, 183.75; May 183.00, 184.00. Sales 546 (342).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). Feb. 190.00, 191.00, nil, nil; April 191.00, 192.00, 191.00, 37; July 188.00, 196.00, nil, nil; Sept. 190.00, 198.00, nil, nil; Nov. 190.00, 198.00, nil, nil; Feb. 194.00, 202.00, nil, nil; April 194.00, 202.00, nil, nil. Sales 37.

Tate and Lyle ex-refinery price for granulated basis white sugar was £304.35 (same) a tonne for home trade and £252.50 (£254.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for December 20. Daily price 14.85 (14.66). 15-day average 14.73 (14.70).

AMERICAN MARKETS

NEW YORK, Dec. 21.

DESPITE VERY light trading before the holiday weekend, gold and silver provided the major fireworks and closed at or near the day's highs due to short-covering and commission house buying. Heavy trade and commission house buying also pushed copper prices sharply higher. Sugar increased moderately following the recovery in the metals. Coffee sold off sharply on higher Brazilian crop estimates released by IBC. Cocoa closed mixed.

The entire livestock complex finished moderately higher as the trade was evening up ahead of the most important pig crop estimate of the year. In very thin trading, grains and soyabeans traded in a very narrow range and recorded fractional advances in most months. Cotton closed with moderate gains, Heinold reported.

*Platinum—Dec. unquoted (662.00), Jan. 663.00-664.00 (648.20), Feb. unquoted, April 660.00-668.00, July 670.00, Oct. 678.20, Jan. 681.40, April unquoted.

Potatoes (round whites)—March 62.4 (61.4), April 69.5-70.5 (69.6), ay 79.5-79.7, Nov. unquoted. Sales: 744.

¶Silver—Dec. 2436.0-2441.0 (2350.0), Jan. 2436.5 (2361.5), Feb. —, March 2505.0, May 2548.0, July 2589.0, Sept. 2630.0, Dec. 2691.5, Jan. 2711.0, March 2750.5, May 2790.0, July 2829.5, Sept. 2869.0. Handy and Harman bullion spot 2365.00 (2280.00).

Tin—772.00-785.00 asked (772.00-792.00).

CHICAGO, Dec. 21.

Lard—Chicago loose 22.00 (21.50). New York prime steam unavailable.

Live Cattle—Jan. 69.80-69.75 (69.62), Feb. 71.95-71.82 (71.65), April 73.60-73.50, June 74.80-74.50, August 73.60-73.40, Oct. 71.82, Dec. 72.85, Jan. unquoted.

Live Hogs—Feb. 42.25-42.45 (41.92), April 40.40-40.60 (39.77), June 43.35-43.45, July 44.20-44.10, Aug. 43.40-43.15, Oct. 42.30, Dec. 44.40, Feb. 46.30, April 45.72.

‡‡Maize—March 287¾-287 (286¾), May 298½-299 (297½), July 306½-306¼, Sept 311-310¾, Dec 314, March 326½.

Pork Bellies—Feb. 47.75-47.90 (46.85), March 48.30-48.45 (47.37), May 49.95-50.00, July 51.10-51.20, Aug. 50.15.

Silver—Dec. 2435.0-2440.0 (2353.0), Jan. 2443.0 (2363.0), Feb. 2495.0, April 2548.5, June 2594.5, Aug. 2635.0, Oct 2675.5, Dec. 2716.0, Feb. 2756.5, April 2796.9, June 2837.2, Aug. 2877.5, Oct. 2917.5, Dec. 2957.5, Feb. 2997.4, April 3037.2, June 3076.9, Aug. 3116.5.

‡Soyabeans—Jan 666-668½ (667¼), March 691-690½ (690), May 691-690½, July 729-730, Aug. 736, Sept. 738½, Nov. 746½-748, Jan. 761.

||Soyabean Meal—Jan. 188.80-188.50 (189.30), March 190.80-190.50 (191.10), May 194.00, July 198.30-198.50, Aug 200.80, Sept. 203.10, Oct 205.20, Dec. 209.00-208.50, Jan. 209.50, March unquoted.

Soyabean Oil—Jan. 25.15-25.11 (25.24), March 25.30-25.32 (25.38), May 25.40-25.43, July 25.60, Aug 25.70, Sept. 25.75, Oct 25.70-25.70, Dec. 25.90, Jan 25.85, March unquoted.

‡Wheat—March 455-453½ (451¼), May 461-461½ (458½), July 462½-463, Sept. 474¼, Dec 490, March 510-508.

WINNIPEG, December 21. §Barley—Dec 114.50 (114.50), March 118.10 (118.00), May 118.20, July 116.80, Oct. 113.10.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 248.95 (245.80).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Dec. 20	Dec. 19	M'nth ago	Year ago
298.57	299.93	295.05	256.53

(Base: July 1, 1952=100)

MOODY'S

Dec. 20	Dec. 19	M'nth ago	Year ago
1243.8	1250.5	1168.1	972.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Dec. 20	Dec. 19	Month ago	Year ago
Spot	420.71	421.21	410.26	380.67
F'tur's	426.91	427.84	421.49	378.31

(Average 1924-25-26=100)

REUTERS

Dec. 21	Dec. 20	M'nth ago	Year ago
1704.2	1707.0	1695.5	1501.6

(Base: September 18, 1931=100)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 925 tonnes bringing the total for the week to 1,707 tonnes against 1,099 tonnes in the previous week. Spinners seemed determined to ensure adequate supplies to last them well into the New Year and buying was extensive. Most contracts were in North American and African qualities.

WOOL FUTURES

LONDON GREASY WOOL—Close (in order buyer, seller only). Pence per pound. Dec. 218.0, 238.0; March/May/July/Oct./Dec./March/May 232.0, 242.0.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only) Dec. 190.0, 205.0, March/May/July/Oct./Dec./March/May 188.0, 195.0.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Micron Contract: Dec. 410.0, 419.0, 419.0-410.0, 10; March 439.5, 440.0, 440.0-438.0, 61; May 456.0, 458.0, 459.0-455.5, 42; July 465.0, 467.0, 469.0-466.0, 63; Oct. 467.5, 469.0, 469.5-468.0, 37; Dec. 467.0, 468.5, 470.0-468.5, 8; March 470.0, 473.0, 474.0-474.0, 5; May 472.5, 476.0, —, —. Sales: 224.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on December 21. GB Cattle 81.46p per kg lw (+0.76); UK Sheep 132.8p per kg est dcw (+9.1); GB Pigs 71.5p per kg lw (—0.1).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navel/Navelinas 3.60-4.00; Jaffa: Navels 50/189's 3.75-5.00; Greek: 3.00-3.20; Moroccan: 4.20-4.40; Egyptian: 2.50-3.00. Satsumas—Spania: 95/189's 3.00-3.60. Clementines—Moroccan: 2/7's 3.40-4.00; Cyprus: 126 162 3.20-3.40. Lemons—Italian: 100/150's 5.30-5.50; Cyprus: 11 kg 84/120 3.60-5.20; 5 kg 45/55 2.20-2.50. South African: 162's 3.50. Grapefruit—Cyprus: 2.80-3.40; 20 kg 4.00-4.60; Jaffa: 2.50-3.00. Florida: Pink flesh 56/48's 6.00-6.20. Apples—French: Golden Delicious, boxes 40 lb 138 175 3.50-4.60; 20 lb 2.00-2.70; jumble pack 31 lb 2.40-3.00; Granny Smith 20 lb 2.50-3.30, 40 lb 4.00-4.80. Starkcrimson approx. 20 lb 72's 2.60, 40 lb 5.60-6.30; Hungarian: Starking 40 lb 138's 5.80; Canadian: Red Delicious 40 lb 9.00-10.00. Italian: Granny Smith 20 lb, per pound 0.12. Grapes—Spanish: Almeria 3.00-3.20, Black 3.80. California: Red Emperor, per pound 0.50. Bananas—Jamaican: per 28 lb 4.50. Avocados—Canary: 5.00. Israeli: 4.00. Melons—Spanish: Green 6.00 15 kg Green 8/15's 12.00. Pineapples—Ivory Coast: Each 0.60-0.90. Onions—Spanish: 5.50-5.80; Dutch: 2.50-2.70. Tomatoes—Spanish: 5.00-5.50; Canary: 4.60-5.20. Lettuce—French: 12's 1.40-1.50. Cucumbers—Canary: 10/14's 3.60-4.20; Spanish: 3.50; Greek: 3.00. Capsicums—Per pound French: 0.40; Canary: 0.40; Italian: 0.40. Celery—Spanish: Pre-pack 24/30 4.50; French: 4.00-4.50. Cauliflowers—French: 24's 8.00; Jersey: 7.00. Potatoes—Italian: Boxes 20 lb 2.80; Canary: 28 lb 4.50; Cyprus: 28 lb 4.20. Dates—Tunisian 30's per box 0.36-0.42; Californian per pound 0.30-0.31. Chestnuts—Italian: 10 kilos 5.00-7.50. Walnuts—Chinese: per pound, dry 30 mm 0.32-0.33; Californian: per pound jumbo 0.50. Filberts—Per pound 0.38-0.40. Brazils—LWM per pound 0.24. 0.26. Medium 0.20-0.22.

Government will make computers last longer

BY JOHN LLOYD

THE Central Computer Agency is to be reorganised to give it responsibility for approving both the financial and the project control arrangements made by Government Departments to handle their rapidly growing data processing needs.

At the same time, as part of economies, the Government is to extend greatly the life of many of its computers, cutting expenditure by about £40m over the next five years.

The reorganisation of the agency, the Government's computer purchasing agent, is made possible by the move, in April, to give each Department responsibility for meeting expenditure on the computers it uses.

The reorganisation will also integrate the telecommunications division into the agency, which will be renamed the Central Computing and Telecommunications Agency from January 2.

Anouncing the changes in a written answer yesterday, Mr. Paul Channon, Minister of State at the Civil Service Department, said: "The aim is to make more effective use of the agency's resources in controlling and supporting major Government computer projects, and to improve its ability to handle the growing connection between computers and telecommunications."

International Computers (ICL), the supplier of all the Government's mainframe computers, will lose some sales in the immediate future because of the new policy.

The company said last night that it had entered into new maintenance contracts with the Government, at higher rates than previously charged.

The Government has earmarked at least 40 out of around 260 machines now in service to be given extensions to their working lives. This will mean that some computers of ICL's 1900 series will not be replaced by the new 2900 models, though the Civil Service Department claims this will not necessarily mean a loss in efficiency.

However, the reorganisation may, in time, benefit ICL — the largest indigenous European manufacturer—if the agency goes on to develop project support for new systems in Government departments.

The company believes that project support for systems now being developed by the company would be the most effective form of state aid, particularly when the Government's preferential purchasing policy expires next year.

Law Society urges property tax changes

BY LISA WOOD

STAMP DUTY on the purchase of houses costing less than £30,000 should be abolished, the Law Society has told the Government.

The society, in its annual memorandum to both the Treasury and the Board of Inland Revenue, has also called for more tax relief from mortgage interest payments to help home buyers.

Official statistics, said the society, showed that the average price of a new home had more than doubled since 1974, the year in which both the present stamp duty rates and the present mortgage interest relief limits were fixed. At present, stamp duty is payable on the purchase of a home exceeding £15,000.

The Law Society says this should be changed and no duty should be payable on purchases of less than £30,000. It also says relief from income tax for mortgage interest should be available for loans up to £50,000, not the present £25,000.

The memorandum contains a total of 35 recommendations for the reform of revenue law dealing with income tax, capital gains tax, capital transfer tax, stamp duty, development land tax and VAT. A special section contains recommendations about the tax treatment of insurance policies, including a recommendation about life assurance relief for a policy on the life of an ex-wife or husband.

Drivers warned on illegal insurance policies

BY JOHN MOORE

MOTORISTS who hold policies and certificates issued by Crepedale Ltd, which has claimed to be an insurance company, have been warned by the Department of Trade that they are not complying with the compulsory requirements of the Road Traffic Acts. Crepedale has not been authorised by the Department to sell insurance.

After a complaint by the member of the public, the Department investigated the position. It has presented a petition to wind up the company, which has been calling itself "Crepedale Insurance Company" and has been issuing policies illegally.

The Official Receiver was appointed provisional liquidator this week and he will be contacting the 300 policymakers affected as soon as possible. The policies have been issued by the company mainly to Greek-Cypriots in the Tottenham area of London.

Preliminary investigations by the Department into Crepedale, which was incorporated in November 1978, are believed to have shown that the company had assets of £9,000.

Prosecutions are planned by the Department against Crepedale under section 11 of the Insurance Companies Act 1974.

The Department of Trade said that all prospective purchasers of all types of insurance should check that the company with which they are considering dealing is properly authorised by the Department to sell insurance.

Under the Insurance Companies Act 1974 the Department is required to supervise the insurance industry by examination of insurance companies' accounts and returns and by ensuring that such companies are administered by fit and proper persons.

Knitwear union agrees 15%

UNION negotiators in the knitwear industry have recommended acceptance of a 15 per cent pay offer from the Knitting Industries Federation covering about 80,000 employees, mainly women.

The National Union of Hosiery and Knitwear Workers is to ballot its members on the two stage deal early in January

'Dangerous gap' in child health services

BY JAMES McDONALD

DESPITE the merits of the National Health Service and the generally high standard of medical care, "our children's health is not as good as it might be, and there are areas of medical care which give cause for concern," writes Sir John Stallworthy, Emeritus Nuffield Professor of Obstetrics and Gynaecology at Oxford, and chairman of the British Medical Association Board of Science and Education, in a foreword to a booklet, Our Children's Health.

The report, by a working party headed by Professor Tom Oppe, says that one "particularly dangerous gap" in the child health services is in care in the psychiatric services for adolescents, an area in which there are too few psychiatrists and in-patient units.

"The majority of young people remain fit and healthy during adolescent years and are rarely seen by the medical services.

"As a result, no particular provision is made for them either in hospital wards or out-patient departments, and they fall between the responsiility of the paediatrician and the family doctor, and the 'adult' hospital service."

This gap in adolsecent care in many services could be bridged [illegible]

groups as parents, doctors, social workers, teachers, the police and the Church, suggests the report.

Referring to the "battered child," it says the incidence of maltreatment of children by parents is such today as to be a major cause of concern.

There are about 5,000 cases a year in England and Wales, only a fraction of which are recognised, and with deaths estimated at 150 to 300.

Its prevention "poses a major problem for society for which as yet, no clear solution has been found."

Our Children's Health, BMA House, Tavistock Sq., WC1; £1.

SPAIN

December 21	Price %	+ or −
Banco Bilbao	204	
Banco Central	220	−4
Banco Exterior	210	+2
Banco Hispano	207	+3
Banco Ind. Cat.	137	
Banco Madrid	175	
Banco Santander	245	−4
Banco Urquijo	196	−6
Banco Vizcaya	209	
Banco Zaragoza	200	
Dragados	100	
Espanola Zinc	58	
Fecsa	[illegible]	+2.2
Gal Preciados	26	−2
Hidrola	62	+2.3
Iberduero	69.7	+1.2
Petroleos	110.5	−1.2
Petroliber	73	
Sogefisa	115	
Telefonica	55	
[illegible]	[illegible]	[illegible]

Stock Exchange dealings

Thursday, December 20	14,616
Wednesday, December 19	15,557
Tuesday, December 18	15,620
Monday, December 17	18,986
Friday, December 14	17,321
Thursday, December 13	17,041

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For these securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (502)

[illegible]

CORPORATIONS (14)

[illegible]

PUBLIC BOARDS (7)

[illegible]

COMMONWLTH. GOVTS. (3)

[illegible]

FOREIGN STOCKS (1)

[illegible]

FOREIGN CORPS. (1)

[illegible]

BANKS (72)

[illegible]

BREWERIES (67)

[illegible]

COMMERCIAL (1,384)

A—B

[illegible]

C—D

[illegible]

E—F

[illegible]

G—H

[illegible]

Cralke Go (25p) 88 (19/12). Coats Paton (25p) 47 ... 6½pcUnscd.Ln. 46 (17/12) 7½pcUnscd.Ln. 55½ (18/12). Cohen (A.) A (20p) 260. Cole (R. H.) (25p) 83 (17/12). Collins (William) Sons (Hldgs.) A (25p) 73 (18/12). Combeo Gp. (10p) 29● 31. Combined English Stores Gp (12½p) 31½ 2. Comet Radiovision Services (5p) 129 30 (18/12). [illegible]

Hickson Welch (Holdings) 8½pcUnsec.Ln. 1989-94 58●. Higgs Hill (25p) 63 (19/12). 8pcCov. Unsec.Ln. 1989-94 63 (17/12). Hillards (10p) 163. Hiltons Footwear (20p) 63. Hinton (Amos) Sons (10p) 72. Hocroft Tst. 7½pcLn. 56 (19/12). Hoffnung (25p) 69 (19/12). Holden (25p) 76½ (14/12). Hollis Bros. (25p) 44● 80 7½ 7 6½. Holt Lloyd (10p) 224● 4. Home Charm (10p) 144●. [illegible]

I—J—K

[illegible]

L—M

[illegible]

N—O—P

[illegible]

Q—R—S

[illegible]

T—U—V

[illegible]

W—Y—Z

[illegible]

FINANCIAL TRUSTS (30)

[illegible]

GAS (1)

[illegible]

INSURANCE (87)

[illegible]

INVESTMENT TRUSTS (100)

[illegible]

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
BP	25p	8	344	+ 2	406	220½
ICI	£1	6	363	− 5	415	314
Dowty	50p	5	150	+ 1	178	126
House of Fraser	25p	5	108	—	167	104
London Inv. 'New'	5p	5	17¼	—	19	15¼
BET Defd.	25p	4	115	+ 1	145	95
Barclays Bank	£1	4	428	+ 8	514	360
European Ferries	25p	4	99	+ ½	183	92
GEC	25p	4	333	+ 2	456	311
Harrisons & C'field	£1	4	635	+25	762	487½
Imperial Group	25p	4	76½	− ½	108	74½
Land Secs.	50p	4	258	+ 4	323	241
LASMO	25p	4	344	− 2	398	124
Marks & Spencer	25p	4	78	− 1	134	78
NatWest Bank	£1	4	355	+ 5	406	278

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
BP	25p	48	344	−24	406	220½
ICI	£1	37	363	− 9	415	314
Shell Transport	25p	37	328	−13	402	278
Racal Electronics	25p	36	187	−24	276	168½
Lonrho	25p	34	84	+ 9	90	62
Marks & Spencer	25p	34	78	− 4	134	78
GEC	25p	32	333	− 3	456	311
BAT Inds.	25p	31	242	− 3	362	242
LASMO	25p	28	344	−26	398	124
Beecham	25p	27	117	− 5	189	114
Pilkington 'New'	Nil/pd.	27	2pm	− 6	8pm	2pm
Bowring (C. T.)	25p	25	126	+17	148	98
De Beers Defd.	R0.05	25	412	+ 8	482	332
RTZ	25p	24	320	+ 7	362	226
Unilever	25p	24	456	− 2	680	430

M&G American Gen. Fund Incm Accm. 53.30
M&G Conv. Trst Fund Incm. 70 (18/12)
M&G Div. Fund. Incm. 122.3
M&G Extra Yield Fund Incm. 84½ (17/12)
M&G Gen. Trst. Fund Incm. 169 8 (19/12)
M&G High Incm. Fund Incm. 103 103.2 (18/12)
M&G Accum. 120.30

MINES

Australian (15)

Hampton (5p) 246
North Broken Hill Hldgs. (A$0.50) 140

OIL (167)

Attock Petroleum (20p) 160
British-Borneo Petroleum Synd. (10p) 276
British Petroleum (25p) 380 2 48 83 4 46 9. Ord. (Ips. at 363p. 150p pd.) (25p) 181 2 80 49 53 48. 8pc1stPf. 88½ (19/12). 9pc2ndPf. 82½. 6pcDb. 70½ (19/12)
Burmah Oil 168. 7½pcPf. 48 (19/12).

COMMONWEALTH RAILWAYS

Canadian Pacific ($C5) £13 15/16 14½ (14/12). 4pcDb. 26 (17/12)
New Brunswick Rlwy. 4pcDb. ($C100) 27½ (18/12)

FOREIGN RAILWAYS

Antofagasta (Chili) Bolivia 43 (19/12)
Chilian Northern 5pc1stDbs. 95 (17/12)

SHIPPING (23)

British Commonwealth (50p) 291
Caledonia (25p) 244 (14/12)
Common Bros. (50p) 272●
Furness Withy 244● 3
Graig Shipping 800
Jacobs (J. I.) (20p) 39
London Overseas Freighter (25p) 36½ (19/12)
Ocean Transport Trading (25p) 92● 2
P and O 5pcPfd. 33½ (18/12). Dfd. 101½● 2½● 1½ 2 3. 5½pcDb. 92
Reardon Smith (50p) 100 1 (17/12). A (50p) 74●
Runciman (W.) (25p) 88 7 (17/12)
Stag Line 152 4

TEA (3)

Assam-Dooars Hldgs. 263●
Assam Invs. 93 (14/12)
McLeod Russel 4.2pcPf. 37½ (17/12)
Moran Tea 285●

CANALS (3)

Bristol Channel Ship Repairers (10p) 5¼ 4pc1stDb.
Manchester Ship Canal 245.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

DECEMBER 20

Candecca Resources 91
CCP North Sea Associates 230
Cluff Oil 375 70 3
Siebens Oil and Gas (UK) 422 20 14 12 10 8 6 4 400 398
Viking Oil 600

DECEMBER 19

Candecca Resources 90 89
CCP North Sea Associates 235 30 27
Cluff Oil 365
Gas and Oil Acreage 230
Siebens Oil and Gas (UK) 390 85 4 80 76 65

DECEMBER 18

CCP North Sea Associates 237 5 4 3 2
Cluff Oil 375 65
Siebens (UK) 396 4 2 88 6 5 4 2 80 78
Viking Oil 615

DECEMBER 17

Candecca Resources 86 6 3 2
CCP North Sea Associates 242 40 38 5 4 3
Cluff Oil New 375
Gas and Oil Acreage 295 90
Siebens (UK) 408 6 4 2 400
Viking Oil 625 20

DECEMBER 14

Candecca Resources 82 80
CCP North Sea Associates 232 1 30 28 7 5 3 2 20
Cluff Oil 378
Cluff Oil New 375
Cluff Oil A Inc. Wrrnts. 365
Gas and Oil Acreage 295
Siebens Oil and Gas (UK) 410 8 6 4 2
Viking Oil 625

(By permission of the Stock Exchange Council)

Ann Street Brewery 395 85 80
Applied Computer Techniques 240

CURRENCIES, MONEY AND GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.0812 per cent at yesterday's tender to 15.8407 per cent and the minimum accepted bid rose to £96.05 from £96.03. Bids at that level were met as to about 29 per cent and above in full. The £300m bills on offer attracted bids of £1,130.49m and all bills offered were allotted. Next week a further £300m will be on offer replacing a similar amount of maturities.

Day-to-day credit was again in good supply in the money market, and the authorities mopped up the surplus by selling a small amount of Treasury bills, all direct to the discount houses. The market was faced with a small increase in the note circulation, and a small net take up of Treasury bills to finance. On the other hand banks brought forward balances a moderate way above target and there was a small surplus of Government disbursements over revenue transfers to the Exchequer.

In the interbank market, week-end money opened at 15¾-16 per cent and rose to 16⅛-16⅜ per cent before coming back to 15¾-16 per cent. Trading died away during the afternoon with late balances taken as low as 10 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Trading was predictably quiet on the last Friday before Christmas in yesterday's foreign exchange market, with business confined to small amounts of commercial buying and year end book squaring. Sterling finished unchanged on a trade weighted basis, and its index was calculated at 69.5, the same as Thursday, after standing at 69.5 at noon and 69.6 in the morning. Against the dollar it opened at $2.1940 and dipped briefly to $2.1920 before recovering to close at $2.2025-2.2035, a rise of 40 points from Thursday.

The dollar finished slightly firmer on balance closing at SwFr 1.6050 from SwFr 1.6000 against the Swiss franc, but easing to DM 1.7355 from DM 1.7390 in terms of the D-mark. The yen was weaker and the dollar rose to Y238¾ from Y238½. On Bank of England figures, the dollar's trade weighted index was firmer at 85.3 compared with 85.1. Gold rose $9 an ounce in the bullion market in very quiet trading to $477-479.

THE POUND SPOT AND FORWARD

Dec. 21	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1920-2.2035	2.2025-2.2035	0.40-0.30c pm	1.90	1.10-1.00 pm	1.90
Canada	2.5750-2.5910	2.5880-2.5906	0.58-0.48c pm	2.46	1.60-1.50 pm	2.39
Nethlnd.	4.19½-4.23	4.22-4.23	1¼-¼c pm	2.13	3¼-2¼ pm	3.06
Belgium	61.90-62.40	62.28-62.38	17-7c pm	2.31	35-25 pm	1.92
Denmark	11.79-11.86	11.84¼-11.85¼	1-3ore dis	−2.02	2¼-4¼ dis	−1.27
Ireland	1.0330-1.0365	1.0341-1.0351	0.05-0.15p dis	−1.16	0.20-0.30dis	−0.97
W. Ger.	3.80½-3.83½	3.82-3.83	3-2pf pm	7.84	7¾-6¾ pm	7.32
Portugal	109.00-110.00	109.55-109.85	15-65c dis	−4.37	45-145 dis	−3.46
Spain	145.40-146.60	146.30-146.60	40-80c dis	−5.33	90-190 dis	−3.82
Italy	1,778-1,783	1,786-1,787½	6-8lire dis	−4.70	13-15 dis	−3.13
Norway	10.96-11.02½	11.01½-11.02½	3¼-1¼ore pm	2.45	9¼-7¼ pm	3.08
France	8.88-8.96½	8.94¼-8.95¼	2-1c pm	2.01	5-4 pm	2.01
Sweden	9.17-9.22½	9.21½-9.22½	2ore pm-par	1.30	5-3 pm	1.73
Japan	518-528	524¼-525¼	4.00-3.55y pm	8.62	10.25-9.65 pm	7.58
Austria	27.40-27.70	27.55-27.65	15-5gro pm	5.22	55-45 pm	7.25
Switz.	3.50-3.55	3.53¼-3.54¼	3½-2½c pm	10.17	9¼-8¼ pm	10.46

Belgian rate is for convertible francs. Financial franc 64.45-64.55. Six-month forward dollar 1.87-1.82c pm. 12-month 4.15-4.05c pm.

GOLD

	December 21		December 20	
Gold Bullion (fine ounce)				
Close	$477-479	(£216½-217½)	$468-470	(£212.7-213.7)
Opening	$474-476	(£215¼-216¼)	$477-479	(£216.6-217.6)
Morning fixing	$474.90	(£216.208)	$477.25	(£216.735)
Afternoon fixing	$475.10	(£215.241)	$471.50	(£214.172)
Gold Coins				
Krugerrand	$496½-498½	(£226-228)	$484-487	(£223-225)
Mapleleaf	$494-497	(£225-227)	$487-492	(£222-225)
New Sovereigns	$123-124	(£56-57)	$125-124	(£54½-55½)
King Sovs.	$135-138	(£61½-63)	$135-136½	(£61-63)
Victoria Sovs.	$136-138	(£61½-63)	$135-136½	(£61-63)
Fr 20 Napoleon	FFr455-480	(SFr180-190)	FFr455-480	(SFr180-190)
50 pesos Mexico	$593-598		$590-595	
100 Cor. Austria	$464-467		$460-464	
$20 Eagles	$550-560		$554-560	
$10 Eagles	$313-328		$313½-318½	
$5 Eagles	$278-298		$278½-285½	

EXCHANGE CROSS RATES

Dec. 21	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.205	3.826	525.5	8.955	3.539	4.226	1787	2.589	62.35
U.S. Dollar	0.454	1.	1.736	238.4	4.065	1.606	1.916	811.1	1.175	28.29
Deutschemark	0.261	0.576	1.	137.3	2.341	0.925	1.105	467.1	0.677	16.30
Japanese Yen 1,000	1.904	4.194	7.282	1000.	17.05	6.737	8.044	3402.	4.930	118.7
French Franc 10	1.117	2.460	4.271	586.5	10.	3.952	4.718	1995.	2.891	69.60
Swiss Franc	0.283	0.623	1.081	148.4	2.531	1.	1.194	504.9	0.732	17.61
Dutch Guilder	0.237	0.521	0.905	124.3	2.120	0.838	1.	422.9	0.613	14.75
Italian Lira 1,000	0.560	1.233	2.141	294.0	5.012	1.981	2.365	1000.	1.449	34.88
Canadian Dollar	0.386	0.851	1.477	202.9	3.459	1.367	1.632	690.1	1.	24.07
Belgian Franc 100	1.604	3.534	6.137	842.7	14.37	5.677	6.776	2867.	4.154	100.

LONDON MONEY RATES

Dec. 21 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◊	Eligible Bank Bills ◊	Fine Trade Bills ◊
Overnight	—	110-16⅛	—	—	—	17-16½	12-16¼	—	—	—
2 days notice	—	—	16⅛-16⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅛-16¼	16¾-16⅞	—	17	17	16⅞-16⅝	—	—	—
One month	16 1/16-16½	16⅝-16¾	16½-16⅞	17¼-17⅜	17	17⅛	16⅝	16 1/16	16 1/16-16 3/16	16⅞
Two months	16 1/16-16 5/16	16¾-16⅞	—	17⅝-17⅛	17⅛	—	16⅝	16¼	16⅞	16⅛
Three months	16¾-16⅝	16¾-16⅞	16⅞-17	17⅛-16⅝	17⅛	17⅜	16⅜	16½-15 15/16	16 1/16	16¾
Six months	16¼-16⅛	16¼-16⅜	16⅜-16⅛	16⅝-16⅛	16⅞	—	—	—	15¾	16¼
Nine months	15½-16 1/16	15½-15⅝	—	16⅛-15⅝	16	—	—	—	—	—
One year	15 1/16-14⅞	15⅛-15¼	15½-15⅝	16⅜-15⅛	16¾	—	—	—	—	—
Two years	—	—	16¼-16½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice others seven days fixed. * Long-term local authority mortgage rates nominally three years 15½-15¾ per cent; four years 15¾ per cent; five years 15¾ per cent. ◊ Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 16⅛-16¼ per cent; four-month trade bills 16⅝ per cent.

Approximate selling rates for one-month Treasury bills 15 9/16-15⅝ per cent; two-month 15⅝-15 11/16 per cent; three-month 15/-15 48-64ths per cent. Aproximate rates for one-month bank bills 16 7/16-15 31/32 per cent; two-month 16 7/16 per cent; three-month 16⅝ per cent; one-month trade bills 16⅝ per cent; two-month 16¾ per cent and three-month 16½ per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 15½ per cent from December 1, 1979. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Base Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.8407 per cent.

CURRENCY MOVEMENTS

Dec. 21	Bank of England Index	Morgan Guaranty changes %
Sterling	69.5	−36.3
U.S. dollar	85.3	−7.7
Canadian dollar	80.6	−17.5
Austrian schilling	157.5	+23.6
Belgian franc	115.0	+13.5
Danish kroner	110.4	−1.6
Deutsche mark	158.3	+46.8
Swiss franc	202.6	+82.4
Guilder	126.0	+20.9
French franc	102.7	−5.1
Lira	55.0	−49.8
Yen	116.5	+17.5

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 14.35-14.45 per cent; three months 14.35-14.45 per cent; six months 13.95-14.05 per cent; one year 12.90-13.00 per cent.

Dec. 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	n/a	13⅞-14⅛	12½-13⅛	16-16¼	⅛-⅝	8 1/16-8 7/16	12-12¼	18-27	—	1½-9½
7 days' notice	16⅞-16⅜	13⅞-14⅛	12⅛-13⅛	14¼-14½	17-18	10⅜-10½	13¾-14¼	18¾-25¼	14-14⅛	3¼-5⅞
Month	16¼-16¾	14⅝-14⅞	13⅛-13⅞	13⅞-14⅛	6¼-6⅝	9 5/16-9¼	14-14¼	18½-21½	14¼-14⅜	7¼-8⅛
three months	16⅜-16⅞	14⅝-14⅞	13⅛-13⅞	13⅛-13⅜	6⅛-6⅝	9-9 3/16	14⅛-14⅜	18½-20½	14 1/16-14 5/16	8 5/16-9
six months	16⅜-16⅞	14½-14 13/16	13¼-13⅝	12-12¼	6¼-6⅜	8⅝-8 15/16	14⅛-14⅜	18½-19¼	14 3/16-14 7/16	8 5/16-9⅛
one year	15-15¼	12⅞-13⅛	12⅜-12¾	10⅞-11⅛	5 7/16-5⅝	8 1/16-8 5/16	13 7/16-14 7/16	16½-17½	13-13⅛	7 3/16-8⅝

Long-term Eurodollar two years 12¼-12¾ per cent; three years 12-12¼ per cent; four years 11¾-12 per cent; five years 11⅝-11⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3436	+1.39	+1.39	±1.53
Danish Krone	7.72336	7.67284	−0.65	−0.65	±1.64
German D-Mark	2.48208	2.48329	+0.05	+0.05	±1.125
French Franc	5.84700	5.81532	−0.54	−0.54	±1.3557
Dutch Guilder	2.74362	2.73830	−0.19	−0.19	±1.512
Irish Punt	0.668201	0.671784	+0.54	+0.54	±1.668
Italian Lira	1157.79	1156.22	−0.14	−0.14	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Dec. 21	£	$		£ Note Rates
Argentina Peso	3516-3536	1595-1605	Austria	27.40-27.65
Australia Dollar	1.9845-1.9865	0.9045-0.9050	Belgium	63.80-64.30
Brazil Cruzeiro	92.73-93.73	42.10-42.55	Denmark	11.80-11.86
Finland Markka	8.17½-8.20	3.7250-3.7300	France	8.90-8.95
Greek Drachma	83.046-85.027	37.70-37.85	Germany	3.81-3.83½
Hong Kong Dollar	10.78-10.81	4.8070-4.9100	Italy	1755-1815
Iran Rial	n/a	n/a	Japan	524-529
Kuwait Dinar (KD)	0.596-0.606	0.2739-0.2742	Netherlands	4.20-4.22½
Luxembourg Frc.	62.28-62.38	28.29-28.31	Norway	10.98-11.08
Malaysia Dollar	4.7980-4.8130	2.1875-2.1890	Portugal	108-114½
New Zealand Dlr.	2.2345-2.2405	1.0115-1.0200	Spain	144½-151½
Saudi Arab. Riyal	7.34-7.44	3.3700-3.3710	Switzerland	3.51½-3.53½
Singapore Dollar	4.7670-4.7820	2.1732-2.1742	United States	2.19¼-2.20
Sth. African Rand	1.8140-1.8170	0.8260-0.8265	Yugoslavia	46-47½

Rate given for Argentina is free rate

U.K. CONVERTIBLE STOCKS 21/12/79

Statistics provided by *data STREAM International*

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	148.00	47.6	77-80	6.9	4.7	−10.9	−11 to −4	0.0	4.8	2.9	+13.9
British Land 12pc Cv. 2002	7.71	200.00	333.3	80-97	6.1	4.8	− 0.8	− 6 to 12	0.0	90.2	44.7	+45.5
Hanson Trust 6½pc Cv. 88-93	3.38	71.00	57.1	76-80	9.4	10.8	1.8	− 1 to 14	0.0	0.0	0.0	− 1.8
Slough Estates 10pc Cv. 87-90	5.50	180.00	187.5	78-85			− 2.0	− 6 to 9	30.7	37.0	3.4	+ 5.4
Slough Estates 8pc Cv. 91-94	24.88	95.00	78.0	80-91	8.4	8.6	24.3	21 to 32	25.2	48.7	30.8	+ 6.5
Thorn Electrical 5pc Cv. 90-94	1.73	80.00	29.1	75-80	6.4	7.5	− 4.5	−10 to 15	5.5	4.8	− 0.9	+ 3.6
Ultramar 7pc net R.Cv.Pfd.	12.59	3.18	0.5	76-82	4.6		− 1.4	−11 to 3	17.9	17.2	− 0.3	+ 1.0
Wilkinson Match 10pc Cv. 84-98	11.10	72.00	40.0	76-83	13.8	14.3	25.9	21 to 42	20.0	26.0	14.0	−11.8

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

LOCAL AUTHORITY BOND TABLE

Authority (*telephone number in parentheses*)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	14½	½-year	1,000	1
Redbridge (01-478 3020)	14	½-year	200	2-3
Wrekin (0952 505051)	15½	maturity	5,000	3 mths.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	8.50	11.50	12.50	—
Catholic‡	10.05	●10.75	11.65	— ● 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 years, 12.00 4 years
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	■11.50	—	— ■ Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11 3 mth.not.
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	6.45	8.85	10.00	10.85 5 yrs., 10.35 4 yrs., 9.85 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55 3 months' notice, £250-£10,000
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	†11.00	†12.25	†13.00 3 yrs., 11.75 2 yrs., 11.50 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mths., 11.25 3mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.80	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yrs., 11.60 6 mths.not.min.£500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
‡ Applicable from January 1, 1980.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

Trade further reduced ahead of the holiday but Gilts firm again—Several dull features in second-line equities

Account Dealing Dates
Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Dec. 10	Dec. 20	Dec. 27	Jan. 7
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4

* "New time" dealings may take place from 9.30 am two business days earlier.

Leading oils again tended easier at yesterday's opening on pessimism about the outlook for world oil prices following the failure of the OPEC ministers' to agree a pricing structure at their Caracas meeting. A later rally left British Petroleum and Shell little changed on balance but still well down on the week.

Elsewhere, stock markets lacked incentive on the last full trading day before the holiday. Gilt-edged showed early gains of ¼ in medium- and long-dated issues. Being the result of a general mark-up to account for the abnormally long gap between yesterday's bargains and next Friday's settlement, the gains flattered but were nevertheless extended in the later trade. Short-dated issues also made further progress following the improved tone on Wednesday and Thursday.

In equities, it was left to company statements, mostly disappointing, and a few speculative counters to provide movements of note. Leading shares again held close to overnight levels and, as measured by the FT 30-share index, moved within a range barely exceeding a full point throughout the day. After a steady start, the index was 0.8 down at 11 am and closed 0.6 off at 419.6 for a loss of 11.4 on the week.

The level of trade, however, was severely limited by seasonal influences, as seen in total bargains which receded further to 13,987.

Mining shares threw up scattered good features, but Gold issues generally gave a little more ground despite yesterday's small rally in the bullion price which ended the week $20¾ up at $478 an ounce.

Government securities ended the week on a firm note. Fresh scattered investment demand was forthcoming for short-dated issues which made further modest headway and the majority of quotations in this area finished the day with gains of $\frac{1}{16}$. Treasury 12 per cent, 1983 were noteworthy for a rise of ¼ to 93¼. Long-dated issues were helped by technical considerations, with Treasury 15 per cent, 1985, which can be dealt in special ex next week, closing 1¼ higher at 102¾. Gains elsewhere in mediums and longs ranged from ¼ to ½.

A useful Traded options business developed in BP which contributed 191 trades to a total of 315, almost twice the amount dealt on Thursday, but well below Wednesday's 429. This week's daily average amounted to 355.

A. Gibbs jump late

Proceedings in the banking sector were enlivened by the late afternoon revelation that Hong Kong and Shanghai Banking is in discussions with Antony Gibbs with a view to acquiring the outstanding 80 per cent of Gibbs shares it does not already own: already a few pence harder on speculative support, A.G. jumped further on the statement to close 21 higher on balance at 70p; while Hong Kong and Shanghai edged forward a penny to 161p. Keyser Ullmann, recently the subject of bid speculation, were marked up a penny late to 67p. Elsewhere, renewed investment support prompted a fresh rise of 10 for a two-day improvement of 15 to 278p in Bank of Scotland, while Barclays rose 8 to 428p for a similar reason. NatWest gained 5 to 355p while Lloyds, 310p, and Midland, 350p, improved 2 apiece. Hire Purchases were notable for a rise of a penny to 10½p in Sturla following the sharp increase in first-half profits.

Renewed profit-taking awaiting further news of the Marsh and McLennan bid approach left C. T. Bowring a further 4 off at 126p. Among quiet Composites, Royals drifted down 5 to 330p and GRE 4 to 228p.

Business in Breweries was reduced to a minimum and most issues hovered around the overnight levels. But Marston Thompson added 3 for a two-day gain of 7 at 107p after further reflection of the mid-term statement and capital proposals. Home Brewery held at 310p on the annual results, while small support lifted Boddingtons a couple of pence to 102p. Among the leaders, Scottish and Newcastle held at 62p after Thursday's disappointing half-timer. In Distilleries, Highland gave up 2 to 145p, but Arthur Bell, 178p and Tomatin, 193p both put on that amount.

Business in Buildings was down to a trickle. Cement Roadstone responded to the 20 per cent increase in wholesale cement prices by adding a penny to 83p. RMC shed 2 to 132p but Blue Circle, at 342p, held the previous day's gain of 4 that stemmed from its disposal of the group's 10.2 per cent stake in Genstar to Societe Generale de Belgique for £27m. Burnett and Hallamshire advanced 10 to 465p, but James Latham eased 8 to 135p in thin markets. A. Monk rallied a penny to 31p, but still recorded a fall on the week of 12 on the interim loss and dividend omission.

In Chemicals, ICI encountered sellers and shed 5 to 363p.

UDS better

A Press report that the group is to close its Grange Furniture chain early next year prompted a rise of 2 to 69p in UDS. Other Store leaders were quiet and closed mixed. Burton "A" dipping 4 to 230p and Marks and Spencer softening a penny to a 1979 low of 78p. Secondary issues were featured by a rise of 7 to 67p in Alfred Preedy in response to Press comment. Polly Peck softened a fraction to 6½p after the increased first-half deficit, while falls of 4 and 7 respectively were seen in B. and Q. Retail, 82p, and Lee Cooper, 223p.

Among the Electrical leaders, GEC fluctuated within narrow limits before settling at 333p for a gain of 2, while Thorn ended without alteration at 288p, after 286p. Racal, however, drifted off to close 3 lower at 187p. Still reflecting the lower half-year figures, Ward and Goldstone fell 4 more to 54p, while Petbow eased 2 more to 50p on the interim loss. Decca a firm market recently on bid hopes, gave up 5 to 320p, with the "A" a few pence lower at 290p. Suter, on the other hand, encountered further support and hardened a penny to 25p, while Lec Refrigeration firmed 2 to 60p.

Apart from Hawker Siddeley, which closed 4 to the good at 180p, leading Engineers rarely strayed far from overnight closing levels. Among secondary issues, Charles Clifford eased 2 more to 98p following news of the proposed rights issue in Convertible Preference shares. Williams and James, a firm market of late, encountered profit-taking and came back 5 to 195p, while sharply lower interim profits left Danks Gowerton a similar amount down at 40p. APV reacted 4 more to 174p and falls of 4 were also marked against Molins, 106p, and Renold, 72p. Scattered offerings left Brasway 2 cheaper at 42p and Birmid Qualcast 1½ lower at 35½p. By way of contrast, W. E. Norton firmed 1½ to 20½p, while gains of 2 were marked against RHP, 73p, and United Wire, 53p.

Foods traded quietly with no discernable trend. Tate and Lyle eased 3 to 152p, but Unigate added that much to 113p, the latter on second thoughts about the interim profits. Tesco hardened a penny to 67½p in response to the managing director's cheerful remarks about Christmas trading. Elsewhere, Barker and Dobson eased a penny to a 1979 low of 26p, but Batleys of Yorkshire responded to the increased half-yearly profits with a gain of 4 to 106p.

Grand Metropolitan, a couple of pence easier at 125p, provided the only noteworthy movement in barely tested Hotels and Caterers.

Features were harder to find in the miscellaneous industrial sector yesterday as seasonal influences restricted investment interest. Friedland Doggart rose 4 to 114p in response to Press comment, while Dunbee-Combex-Marx hardened a penny for a two-day gain of 9 to 33p on consideration of the deal whereby it is selling some of the assets of its U.S. subsidiary Louis Marx to Empire of Carolina Incorporated of New York. Having risen 13 the previous day on news that Lex Service had increased its stake in the company to just over 28 per cent by acquiring Transport Development's 11.8 per cent interest, United Carriers hardened a penny further to 139p on hopes of an eventual bid. Continuous Stationery were marked 2 higher to 35p on the interim results, while Granada A put on 4 to 136p on further consideration of the record profits. Improvements of 4 and 5 respectively were seen in Magnolia, 80p, and Crosby House, 170p, while Henry Boot hardened 3 to 108p. By way of contrast, Celestion Industries fell 3½ to 18p on the half-year loss. Manchester Ship Canal came on offer at 242p, down 8, and Booker McConnell eased 5 to 270p and Triefus 4 to 60p. Interest in the leaders was minimal, Pilkington drifting down 5 to 200p and Glaxo 4 to 438p.

Caledonian Associated Cinemas put on 25 to 800p in a thin market following the doubled interim dividend. Elsewhere in the Leisure sector, Horizon Travel attracted a few buyers and improved 3 to 200p.

In Motor sectors, ERF, at 94p, lost 3 of the previous day's gain of 9 which followed the mid-term statement. Volvo returned from suspension at 775p following the deal with Renault. Fading bid hopes clipped a couple of pence from Godfrey Davis, 118p, while, among Components, Lucas encountered late support and closed 4 up at 228p.

The only movement of consequence in Paper/printings was a gain of 7 to 102p in Bunzl Pulp on the company's negotiations to sell an Austrian subsidiary.

Montfort fell 8 to 76p on the announcement that the offer for the company from David Dixon had lapsed; Dixon closed 4 up at 116p. Elsewhere in Textiles, Courtaulds shed 2 to a 1979 low of 73p, but Homfray held at 14p despite the full-year deficit and reduced dividend. Nova (Jersey) added 2 to 26p after second thoughts about Thursday's interim statement. Among smaller-priced issues, Parkland, 31p, J. Crowther, 20p, and Cawdaw, 27p, all eased around 3, but Rivington Reed added 3 to 15p.

Among Plantations, Guthrie eased a few pence to 628p, but still retained a week's gain of 21 on hopes of a fresh offer from Sime Darby. In Teas, Empire added 2½ for a two-day gain of 6 at 25½p, a shade above the offer price of 25p from Caparo.

Golds calm down

As mining markets wound down before the Christmas holidays, South African Golds found a steadier tone although prices were mixed. But there were none of the sharp falls of Thursday. The Gold Mines Index was 3.1 down at 255.6.

The market drew some encouragement from the steadier bullion price which closed $9 up at $478 an ounce. Some selective buying developed in a quiet market, but also some profit-taking as books were squared before the holidays.

Among the leaders, Vaal Reefs closed ¼ lower at £26¾, while Western Holdings put on the same amount to £21¾.

Platinums tended lower but falls were confined to a maximum of 3 as in Impala, 212p, Rustenburg, 183p and Lydenburg, 108p.

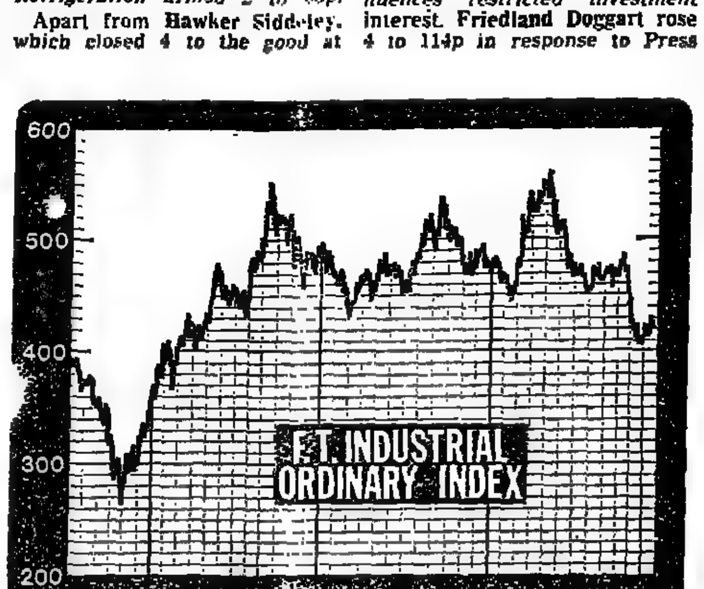
Trading was drab among South African Financials but General Mining was an isolated feature, advancing 55 to 725p on Johannesburg buying after the announcement of plans to take over the minority in Union Corporation, 10 harder at 530p, and to have a rights issue.

London Financials lacked interest and were inclined to drift. Selection Trust came back 2 to 344p after the strong rise earlier in the week. Consolidated Gold Fields, at 372p, and Charter, at 128p, remained at or close to overnight levels, while Rio Tinto-Zinc softened 3 to 320p.

Among Coppers, ZCI's reaction to the vigorous advance in the first part of the week continued and the price slipped a further 6 to 40p. But Messina were a firm market, gaining 5 to 130p.

Australians were catching their breath after recent feverish activity, but prices remained generally very steady following the performance in Sydney overnight. Diamonds again featured with Northern Mining 15 better at 155p and Ashton 3 harder at 143p. Among Uraniums, Pancontinental continued its advance with a rise of 25 to 310p.

Tins were quiet, but Saint Piran recovered its poise after falls linked to the Department of Trade investigation; there was a gain of 3 to 57p. South Crofty hardened 1 to 41p.



LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	300	52	60	61	—	—	—	345p
BP	330	11	11	24	16	—	—	"
BP	360	—	—	—	—	32	42	"
BP	375	5	25	14	—	—	—	"
BP	390	—	—	—	—	24	30	"
[illegible]								

FINANCIAL TIMES STOCK INDICES

	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 14	A year ago
Government Secs.	65.46	65.31	65.34	65.10	65.26	65.45	[illegible]
Fixed Interest	66.02	65.92	65.90	65.92	65.85	65.61	[illegible]
Industrial	419.6	420.2	422.1	421.5	423.1	431.0	[illegible]
Gold Mines	255.6	258.7	274.6	269.3	265.7	266.4	[illegible]
Ord. Div. Yield	7.74	7.74	7.68	7.68	7.65	7.58	[illegible]
Earnings, Yld. % (full)	14.37	19.26	19.18	19.18	19.15	18.84	[illegible]
P/E Ratio (net) (*)	6.39	6.39	6.42	6.42	6.44	6.55	[illegible]
Total bargains	13,987	14,616	15,557	18,620	18,985	17,321	—
Equity turnover £m	—	78.90	76.13	95.88	159.07	83.82	[illegible]
Equity bargains total	—	16,090	10,578	11,780	13,823	14,467	[illegible]

10 am 420.5. 11 am 419.4. Noon 419.5. 1 pm 420.3.
2 pm 420.6. 3 pm 420.4.
Latest index 01-246 8026.
* Nil=6.16.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (30/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (16/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	274.6 (19/12)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 21	Dec. 20
Daily		
Gilt Edged	97.5	108.1
Industrials	69.9	[illegible]
Speculative	58.1	[illegible]
Totals	84.2	[illegible]
5-day Av'r'ge		
Gilt Edged	122.2	128.1
Industrials	90.5	95.3
Speculative	56.0	59.6
Totals	67.9	69.5

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	78	—	8	178	135	117
Corpns., Dom. and Foreign Bonds	5	1	55	69	34	228
Industrials	147	218	1,085	868	1,114	6,024
Financial and Prop.	67	58	373	417	443	1,637
Oils	9	12	23	38	60	89
Plantations	1	10	17	21	24	85
Mines	32	50	65	220	205	307
Others	47	29	83	232	219	344
Totals	387	379	1,661	2,040	2,257	7,841

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (9)

BRITISH FUNDS (1)
Treasury 14pc '98-01 (£50 paid)

AMERICANS (1)
Chesebrough-Ponds

BANKS (1)
Gibbs (A.)

ELECTRICALS (1)
Perkin-Elmer 4pc

PROPERTY (1)
HK Land

MINES (4)
Union Corp. — Northern Mining
Roan Cons. — Messina

NEW LOWS (36)

STORES (5)
Amber Day — Marks & Spencer
Hepworth (J.) — Polly Peck
Maple

ELECTRICALS (2)
Thorn Electrical — Ward & Goldstone

ENGINEERING (9)
Brasway — Renold
Camford Eng. — Smith Whitworth
Clifford (Ch.) — Spear & Jackson
Danks Gowerton — Yarrow
Molins

FOODS (2)
Barker & Dobson — Taverner Rutledge

INDUSTRIALS (9)
Celestion — Pritchard Servs.
Downs Surgical — Spear (J. W.)
Fogarty (E.) Defs. — Triefus
Pentos Dfd. — Viners
Platignum

LEISURE (1)
Fairline Boats

MOTORS (1)
Henlys

TEXTILES (5)
Corah — Leeds Dyers
Courtaulds — Parkland A
Jerome

TOBACCOS (1)
BAT Inds.

TEAS (1)
Assam Frontier

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Dec. 17	Dec. 28	Mar. 20	Mar. 31
Jan. 7	Jan. 18	Apr. 10	Apr. 21
Jan. 21	Feb. 1	Apr. 24	May 6

For rate indications see end of Share Information Service

Money was given for the call in Premier Oil, Lonrho, BP, C. T. Bowring, Blue Circle, Carless Capel, Siebens (UK), P & O Dfd., Shell Transport and Vickers. A put was done in Burton A, while doubles were arranged in Ladbroke and BP.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt & F.I. Tst.	96.7	102.3xd	+0.2	3.45
Abbey Capital	33.9	36.6	.....	5.67
Abbey Income	39.6	42.8	+0.1	8.64
Abbey Inv. Tst. Fund	33.0	35.7	+0.1	6.25
Abbey Gen. Trust	44.6	47.7	−0.1	5.67
Abbey Intl. Bd. Tst.	96.5	101.0	.....	4.95
Abbey Am. Gth. Tst.	47.3	50.0	.....	3.50
Equitas Prog. Trust	64.5	69.7	−0.1	6.04

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	90.3	95.1	.....	13.23

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	69.5	74.4	.....	6.45
Brit. Inds. Fund	63.7	68.2xd	−0.2	6.60
Growth & Income	38.8	41.5	−0.1	5.78
Elect. & Ind. Dev.	34.3	36.7	.....	5.72
Allied Capital	70.1	75.0	−0.1	5.73
Hambro Fund	107.0	114.5xd	−0.1	6.42
Hambro Acc. Fund	132.0	141.2	−0.2	5.70
Income Funds				
High Yield Fd.	66.4	71.0	−0.2	9.866
High Income	64.7	69.2	−0.1	8.25
A. H. Eq. Inc.	38.4	41.1	−0.1	8.39
International Funds				
International	26.6	28.5	.....	2.85
Pacific Fund	40.7	43.5xd	+0.2	2.92
Secs. Of America	57.4	61.4xd	+0.3	2.28
Specialist Funds				
Smaller Co.'s Fd.	45.0	48.2	−0.1	4.67
2nd Smlr. Co's Fd.	52.9	56.6	+0.1	4.77
Recovery Sits.	105.2	112.6	+0.1	6.88
Met. Min. & C'dty.	49.7	53.2	.....	5.55
Overseas Earnings	53.3	57.0xd	−0.2	5.96
Exempt Funds				
Far East Exempt	47.7	49.6xd	−0.4	3.57
Smaller Co. Exempt	66.8	70.1	−0.3	5.56
U.S.A. Exempt	100.7	104.7	+0.6	3.34

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	51.6	55.8	.....	6.00

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	138.0	148.0	.....	13.05

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London. EC4R 1BY. 01-236 5281

High Yield	39.7	42.8xd	+0.1	11.79
(Accum. Units)	63.7	68.7xd	+0.1	11.79
Extra Income Fd.	92.2	100.3	+0.2	10.95
(Accum. Units)	99.9	108.6	+0.1	10.95
High Inc. Fund	34.0	36.7	.....	10.12
(Accum. Units)	50.9	54.9	.....	10.12
(8½% W'drwl. Uts.)	44.9	48.4	.....	10.12
Preference Fund	22.1	24.1	.....	13.54
(Accum. Units)	38.4	41.8	.....	13.54
Capital Fund†	21.4	23.1xd	.....	
Commodity Fund	72.4	78.7	.....	3.60
(Accum. Units)	109.5	119.1	.....	3.60
(10% W'drwl.U.)	57.9	63.0	.....	3.60
Fin.&Prop.Fd.*	18.5	20.0	.....	5.48
Grants Fund	35.1	37.9	−0.1	4.86
(Accum. Units)	42.6	46.0	−0.1	4.86
Growth Fund	32.7	35.3	.....	4.21
(Accum. Units)	40.4	43.6	−0.1	4.21
Smaller Co's Fd*	26.2	28.9	.....	5.37
Eastern & Intl. Fd†	26.3	28.2	.....	1.00
(6% W'drwl.Uts.)	19.2	20.7	.....	1.00

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Dec. 7	180.2	192.2xd	.....	5.93

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.1	19.0	.....	6.10
Gt. Winchester O'seas	19.3	21.8	.....	2.52

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.7	74.5	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	69.6	73.2	.....	5.33

Fidelity International Management Ltd.
62-63, Queen St., London. EC4R 1AD. 01-248 4891

Fixed Interest	24.1	25.3	.....	13.3
Growth & Income	24.8	26.1	−0.2	7.80
Special Sits.	24.8	26.3	.....	3.0
American	24.5	25.1	.....	1.0

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	26.0	28.0	.....	2.21
Accum. Units	31.6	33.9	.....	2.21
J. Finlay High Income	32.6	35.0	.....	9.76
J. Finlay Euro.Fin.	23.9	25.7	.....	4.22
Accum. Units	30.0	31.7	.....	4.22
J. Finlay Fd.In.Tst.	28.3	30.4	.....	5.76
Accum. Units	34.2	36.7	.....	5.76

Prices on Dec. 19. Next dealing Dec. 27.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	51.6	54.8	.....	1.33
American Turnaround	50.6	53.8	.....	2.00
Capital Tst.	48.4	51.4	.....	5.28
(Accum. Units)	48.4	51.4	.....	5.28
Income Tst.	34.4	36.4xd	.....	8.76
Int. Growth Fd.	41.8	44.4	.....	2.26
(Accum. Units)	44.2	47.2	.....	2.26

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	44.9	48.0xd	−0.1	5.31
Do. Accum.	61.9	66.1	−0.1	5.31

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Dec. 6	103.9	104.9	.....	5.53
Gross Inc. Dec. 6	73.4	75.1	.....	11.05
High Yield Dec. 6	80.3	81.9	.....	10.50

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	103.4	110.0	.....	3.70
Do. Acc.	128.5	136.6	.....	3.70
G.T. Inc. Fd. Un.	162.8	173.1	.....	8.90
G.T. U.S. & Gen.	140.8	149.7	.....	2.40
GT Wld. Bd. Fd.	98.2	100.9	.....	5.30
G.T. Japan & Gen.	72.2	76.4	.....	2.80
♦Gt. Pens. Ex. Fd.	224.8	236.0	.....	3.3
G.T. Int'l. Fund	159.9	170.1	.....	2.00
G.T. Four Yds. Fd.	47.2	50.2xd	.....	8.90
G.T. Far East & Gen.	48.3	51.9xd	.....	3.80

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	33.1	35.4xd	.....	5.88

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	26.5	28.5	+0.1	1.18
British Tst. (Acc.)	57.7	62.0	−0.8	4.57
Commodity Share	33.0	35.5xd	+0.8	3.95
Extra Income Tst.	20.8	22.4	−0.1	10.38
Far East Trust	31.9	34.3	+0.4	3.25
High Income Tst.	51.8	55.7	−0.5	10.55
Income Fund	69.7	74.9	−0.6	7.88
Ins. Agencies	113.79	114.71	+0.02	4.72
Intl. Exempt Fd.	84.2	94.1	−0.2	7.28
Intl. Tst. (Acc.)	30.8	33.2	−0.3	1.41
Special Sits. Tst.	24.1	26.0	.....	3.35

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	61.7	64.9	−0.2	4.32

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income Dec. 17	98.2	103.4	.....	9.64
General Dec. 17	66.9	70.4	.....	6.67
Intnl. Dec. 17	42.1	44.4	.....	3.60

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Merc. Gen. Dec. 19	54.4	57.9	.....	6.22
Acc. Uts. Dec. 19	74.4	79.2	.....	6.22
Merc. Int. Dec. 19	70.6	75.1	.....	5.10
Acc. Uts. Dec. 19	78.1	83.1	.....	5.10
Merc. Ext. Nov. 29	252.8	263.3	.....	6.26
Accm. Units Nov. 29	316.2	329.4	.....	6.26

Midland Bank Group Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head. Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	77.1	84.2	+0.2	5.17
Do. Accum.	93.9	102.6	+0.1	5.17
Overseas Growth	33.1	35.8xd	+0.1	3.56
Do. Accum.	37.0	40.0	+0.1	3.56
Capital	25.1	27.1	.....	5.46
Do. Accum.	28.3	30.6	.....	5.46
Income	49.8	53.7	−0.2	7.81
Do. Accum.	61.4	66.2	−0.2	7.81
North American	36.1	39.0xd	+0.2	2.64
Do. Accum.	39.5	42.7	+0.2	2.64
High Yield	55.6	59.9	−0.1	9.84
Do. Accum.	64.5	69.5	−0.2	9.84
Equity Exempt*	104.1	109.8	−0.8	6.53
Do. Accum.*	107.0	111.9	−0.8	6.53
Japan & Pacific	34.1	36.9	+0.2	2.35
Do. Accum.	34.4	37.2	+0.2	2.35

*Prices at Dec. 21. Next dealing Dec. 28.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Dec. 10	36.3	38.3	.....	7.44
Exempt Nov. 30	94.0	98.0	.....	6.85

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	53.5	56.3	.....	3.76

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271
†Stewart American Fund

Standard Units	61.0	7.97	.....	2.05
Accum. Units	67.2	71.5	.....	2.05
Withdrawal Units	43.6	2.05	.....	—
*Stewart British Capital Fund				
Standard	145.9	156.6	.....	5.30
Accum. Units	165.7	177.9	.....	5.30

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Exp. Eq. Dec. 12	£245.20	256.00	.....	5.70
♦The Family Fd.	107.5	114.3	−0.1	4.80

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941.
19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	47.5	51.4xd	+1.0	3.51
Financial	67.2	73.0	+0.6	4.82
Gilt Accum.	117.0	122.9	+0.5	3.90
Investment Trust	29.5	31.9	.....	4.66
Special Situations	20.1	21.7	−0.1	6.86
American Eagle	28.4	30.7xd	+0.1	2.01
Pacific Income	22.8	24.6	+0.2	2.66
Pacific Accum.	26.0	28.1	+0.1	2.66
Income	24.0	25.9	−0.2	11.37
Extra Income	53.7	58.0	.....	11.61
Preference Share	11.8	13.0	.....	13.21
Equity	39.2	42.4xd	+0.3	6.82
Growth	29.3	31.7	−0.1	5.52
Professional Dec. 19	163.6	175.9	.....	5.29
Thistle	39.6	42.8	.....	7.92
Exempt Inc. Dec. 19	210.3	226.1xd	.....	7.52
Exempt Accum.	310.9	334.3	.....	7.52

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX 01-628 2294

Income & Growth	20.2	21.2	−0.3	9.58
Special Situations	24.2	25.4	−0.3	2.95

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUT Dec. 3	50.5	53.8	.....	5.98

Transatlantic and Gen. Secs.♥ (c)(y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican Dec. 20	76.9	81.9	.....	6.74
(Accum. Units)	124.5	132.4	.....	6.74
♦Barb. Exmt. Oct. 31	74.9	76.6	.....	4.15

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
78	48	Hay (Norman) 10p	52	......	3.7	1.8	10.2	7.9
*164	98	Hay's Wharf £1	122xd	+2	F7.21	φ	8.4	φ
65	27	Hensher 'A' 10p	58	−1	2.5	φ	6.2	φ
132	72½	Hepworth Cmc.	95½	+½	†4.9	3.6	7.3	6.6
76	25	Hestair	25	−1	†3.5	—	‡	—
50	25	Hewitt (J.) 5p	47	......	1.28	6.3	4.0	5.0
72	40	Highgate & Job 50p	43	......	—	—	—	—
100	62	Hill (Chas.) £1	63	−1	d2.0	—	4.5	—
*49½	28	Hirst Mal'son 20p	28	......	t2.6	3.6	13.3	2.9
90	77	Holden (A.)	78xd	......	†4.0	3.5	7.3	5.4
75	43	Hollis Bros	47	......	†5.12	1.8	16.1	4.3
250	148	Holt Lloyd Int. 10p	225	+1	H9.0	2.3	5.7	12.3
222	107	Hoover 'A'	130	......	12.0	1.1	13.2	9.0
163	95	Hoskins & H 20p	95	......	10.39	1.4	15.6	5.9
71¼	23½	Howard Tenens	64½xd	......	†1.9	—	4.2	—
267	142	Hunting Assoc.	235	......	22.5	11.4	1.5	6.7
89	48	Huntleigh 10p	70	......	†0.76	6.5	1.6	12.7
90½	40	Hutch Whamp $HK2	88	......	Q23c	2.5	2.5	16.1
33	22	Hyman (I. & J.) 5p	23	......	†c0.96	3.6	6.0	6.7
£20¼	£11	I.C. Industries$1	£11xd	......	Q$1.84	—	7.5	—
545	398	ICL £1	463	+2	11.9	q6.6	3.7	4.4
34	25	Ingall Inds. 10p	32	......	2.06	1.7	9.2	9.3
146	88½	Initial Services	108	......	†5.5	2.5	7.4	6.3
31	14	Inter-City 20p	15	−½	1.17	4.0	11.1	2.6
68	45½	J. B. Holdings 10p	47	......	†1.47	7.2	4.3	4.8
175	72	Jacksons Bourne	135xd	......	†φ3.0	3.3	3.2	12.8
19	15	James (M.) Inds. 20p	16xd	......	Z0.75	3.3	6.7	9.6
206	100	Jardine M. $HK5	157	+1	tQ77c	2.2	4.9	10.6
36	28	Jentique	28	......	2.48	1.6	12.7	5.2
15½	6	Johnson & Barnes	7	......	—	—	—	—
*179	105	Johnson Clnrs.	140	......	†5.06	4.4	5.2	4.9
*260	183	Johnson Mthy. £1	205xd	......	†8.5	2.9	5.9	7.0
47	36	Jourdan (T.) 10p	39½	−½	3.22	1.1	11.6	(18.3)
71½	35½	Kalamazoo 10p	67	......	3.75	1.6	8.0	11.3
182	100	Kelsey Inds.	100xd	......	6.0	φ	8.6	φ
60	40	Kennedy Sm. 10p	49	......	t2.8	3.7	8.4	6.3
£14½	925	Kershaw (A.) 5p	975	......	†23.25	2.0	3.3	(16.8)
78	61	Kleen-E-Ze Hldgs.	71	......	c4.5	2.1	9.2	7.2
91	61	L.C.P. Hlds	70	......	†h3.67	2.3	7.5	7.3
43	21½	L.K. Ind'l. Invs.	26	+2	†c2.9	1.6	15.9	(4.7)
41½	22	L.R.C. Int. 10p	26	......	2.23	1.4	12.5	7.7
100	46	Lawtex	60	......	3.56	4.5	8.5	2.8
184	134	Lead Inds. 50p	135	−1	†6.23	3.1	8.7	4.5
105	59	Leadenhall Sterling	88	......	3.12	4.2	5.1	8.0
67	41	Le Bas (Ed.)	49	......	†2.34	7.5	‡	3.0
307	237	Lep Group 10p	260	......	†12.5	2.3	7.0	7.6
89	31	Lesney Prods. 5p	31	......	d3.24	3.2	14.9	(2.3)
*160½	118	Letraset 10p	135	+1	†7.14	2.3	7.6	8.8
53	33	Lilleshall 10p	41	......	†1.93	4.7	6.9	3.4
153	115	Lindustries	134	......	φ‡9.9	2.1	10.6	5.7
133	86	London & Mdl'd	86	−1	†56.75	2.2	11.2	5.8
48	30	Lon. & Nthn. Grp.	34	−½	†3.35	2.6	14.1	3.9
18	10	Long Hmbly. 10p	11xd	......	0.48	φ	6.3	φ
98	68	Longton Inds.	84	......	s4.5	3.6	7.7	4.0
93	53	Lonsdale Univrsl.	56	......	†h4.14	2.6	10.6	4.1
211	160	Low & Bonar 50p	170	......	†12.16	2.4	10.2	4.8
*62	37	M.Y. Dart. 10p	44½	......	g2.8	2.9	9.0	4.4
162	105	M'c'rthy Ph. 20p	105	......	†6.5	3.7	8.8	3.4
188	64	Macfarlane Gp.	96	......	†h3.43	2.4	5.1	11.8
17	9	McCleery L'A	9½	......	0.5	5.5	7.5	(4.1)
27	21	MacLellan (P. & W.)	22	......	1.79	2.2	11.6	(4.5)
*121	71½	Macpherson (D.)	84	......	14.18	5.5	7.1	3.8
23½	6	††Maddock	6	......	—	—	—	—
96½	43	Magnolia Group	80	+4	t1.8	9.4	3.2	6.3
354	240	Man. Ship Can. £1	242	−8	†15.80	1.3	9.3	11.7
45	21	Marling Ind. 10p	21xd	......	†hd0.83	4.5	5.7	5.5
57½	28	Marshall L'xy. 'A'	34	......	d2.78	4.5	11.7	2.2
138	86½	Marshall's Univ	94xc	......	h6.54	3.7	9.9	4.1
46	20	Martin-Black	20	......	±2.0	1.2	‡	(7.7)
£100	£78	Mathesons 7¼pc	£94	+1	Q7¼%	2.3	18.6	—

INSURANCE—Continued

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
151	83½	Hogg Robinson	87	−1	4.94	2.5	8.1	7.2
137	79	Howden (A.) 10p	97	−1	7.0	7.5	10.3	8.1
£42	£36	Do Warrants	[illegible]	......	—	—	—	—
190	138	Legal & General	155	−2	[illegible]	—	[illegible]	—
158	118	Lon. & Man. 5p	142	......	[illegible]	—	[illegible]	—
196	120	London United	[illegible]	......	[illegible]	[illegible]	[illegible]	[illegible]
194	88	Minet Hldgs.	[illegible]	......	[illegible]	[illegible]	[illegible]	[illegible]
60	26	Moran (Chris)	[illegible]	......	[illegible]	—	[illegible]	[illegible]
304	216	Pearl 5p	272	−2	[illegible]	—	[illegible]	—
306	198	Phoenix	227	......	[illegible]	—	[illegible]	—
158	132	Provident	136	......	†9.12	—	[illegible]	—
173	134	Prudential	163	−2	[illegible]	—	7.1	—
172	132	Refuge 5p	142	[illegible]	[illegible]	—	[illegible]	—
443	288	Royal	[illegible]	−5	†25.77	—	[illegible]	—
123	78	Sedg Forbes 10p	93	−1	T5.0	2.2	7.7	6.7
110	69	Stenhouse	69	......	4.52	φ	9.7	φ
230	158	Stewart Wr. 20p	175	......	†11.05	2.4	[illegible]	6.1
682	474	Sun Alliance £1	532	+4	†22.5	—	6.0	—
147	95	Sun Life 5p	132	......	6.54	—	7.2	—
938	504	Taisho Mar. Y50	550	+6	Q10%	—	0.2	—
175	85	Trade Indemnity	155	......	[illegible]	—	[illegible]	—
£27¼	£15⅞	Travelers $2.50	£13¼	+¼	Q$2.08	—	5.6	—
270	185	Willis Faber	225	......	†10.05	2.2	6.7	9.9

LEISURE

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
100	55	Anglia TV 'A'	65	......	[illegible]	4.0	6.9	5.2
109	70	Assoc. Leisure 5p	[illegible]	......	†1.25	2.9	7.4	6.8
167	103	Barr & W.A.T.	[illegible]	−1	16.75	[illegible]	[illegible]	[illegible]
102	58½	Black Edgtn. 50p	[illegible]	+1	[illegible]	[illegible]	[illegible]	[illegible]
202	140	Boosey & Hawkes	[illegible]	......	5.67	2.5	5.8	[illegible]
115	86	Campari Intl. 20p	[illegible]	......	[illegible]	[illegible]	[illegible]	[illegible]
153	56½	Coral Leis. 10p	[illegible]	......	[illegible]	[illegible]	[illegible]	[illegible]
114	91½	Fairline Boats	[illegible]	−½	[illegible]	φ	[illegible]	φ
35	21	Grampian 'A' 10p	[illegible]	......	[illegible]	[illegible]	[illegible]	4.1
163	98½	HTV Non/V	[illegible]	......	[illegible]	[illegible]	[illegible]	[illegible]

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FINANCIAL TIMES

Saturday December 22 1979

MAN OF THE WEEK

France's flag carrier

BY TERRY DODSWORTH

RENAULT, the French motor company which has just bought itself a slice of Volvo's car builders, has had only three chairmen since it was nationalised in 1946. The first, M. Pierre Lefaucheux, was a dynamic left-wing businessman who drove the company forward at such a pace that he left his private sector competitors standing at the starting line. The second, M. Pierre Dreyfus, was a polished top civil servant who consolidated Renault's position as the (then) leading French car manufacturer and exporter. The third, M. Bernard Vernier-Palliez, looks as though he will go down as the man who turned La Regie, as it is known, into a truly international group.

The chairmanship of Renault is an altogether unique thing in French industry. Because of

Bernard Vernier-Palliez
Has turned Renault into a truly international group

the group's status, it is seen as a flag carrier for France overseas, while its reputation for labour reform at home has made it a key influence on the development of industrial relations. The chairman, appointed by the Cabinet, is directly responsible to the Government and must give a formal account of his long-term plans at least once a year.

Vernier-Palliez, at 61, bears all of these responsibilities with the air of the well-trained company man that he is. He entered Renault in 1946 after a war career in the Resistance and the Free French Army, and since then has never been far from the centre of power. "I have done everything there is to do in this company," he once said, "and today I am part of the furniture."

Because of this relatively sheltered in-house background, Vernier-Palliez was not the automatic choice for the job back in 1975. Some outsiders were in the running. He has shown, however, that behind his reserved exterior he has just as much drive as his predecessors, and he has pushed ahead with a policy of international investments which would have frightened a really cautious man. In this year there have ben four—two in the U.S., one in Portugal, and one in Sweden.

The Vernier-Palliez era has also been noted for Renault's strong reiteration of its faith in its traditional business of cars and trucks. In the period after the 1973 oil crisis, some Renault bosses were predicting a 50/50 balance between vehicle interests and diversified operations. Vernier-Palliez has never been keen on over-diversification and he has hauled the company back on line with his big expansion plans. These are not finished: against a current output of 1.9m cars a year, Renault is aiming for 2.5m by 1985.

This policy has not met with any obvious Government opposition. This is partly, perhaps, because he gets on well with M. Raymond Barre, the Prime Minister, who shares his international outlook, and partly because of his years of experience of the administrative labyrinth.

But he also has two other advantages in the subtle play of interests between the company and the State. First, he has taken on responsibility for reorganising the country's dramatically unprofitable truck business, despite widespread warnings of failure. Secondly, he has kept Renault on an even financial keel. The company has continued to pay its dividends to the Government, and the new acquisitions will apparently not require any additional State funding beyond the normal capital increase of the FrF 175m ($42.7m) this year and the FrF 250m next. Renault remains for the present the shining example of the French nationalised systems.

Chrysler chief faces rescue plans row

BY IAN HARGREAVES IN NEW YORK

MR. LEE IACOCCA, chairman of Chrysler, was due yesterday to face his company's bankers at the opening of what promises to be a stormy effort to persuade them to fall in line with the Government's Chrysler rescue programme.

The final ribbons and bows were tied on to the Government package by a conference of House and Senate legislators late on Thursday night. But bankers are already warning privately that they will not accept certain features of the proposal.

The plan behind which Congress and the Carter Administration have united calls for a $3.5bn package which would be made up of $1.5bn in Government guaranteed loans and $2bn in new loans and concessions from Chrysler workers.

Although there is no rigid stipulation in the Bill about the amount in additional loans expected to be made by the banks on top of the $800m they already have extended, the figure suggested in the Bill is $500m from the U.S. banks and $150m from foreign banks.

Most of the problems, about which Mr. Iacocca will be closely questioned, concern the level of security on these loans.

The Bill gives prime security and therefore first call on the proceeds of liquidated assets in the event of a Chrysler bankruptcy to the state and local governments being asked to pump in $250m.

Second call goes jointly to the Government-backed loans and the new money put in by banks. Last in line would be the existing bank credits.

On the basis of the most recent valuations of Chrysler's assets, bankers believe that this arrangement provides virtually no security for their $800m existing loans, whereas they say, if the company were forced into bankruptcy now they might well recover $400m.

Some are also still unhappy about any suggestion of putting new money into the company, although it remains to be seen whether the hawks, led by Citibank, will press this point in the face of fierce political pressure to comply.

Another grumble among banks is the Bill's failure to call for any sacrifice from the pension fund with heavy Chrysler commitments.

The other group closely involved in the next stage of bargaining is the United Autoworkers, which to meet the terms of the Bill must renegotiate its three-year wages contract to provide $462.5m in concessions.

Union leaders yesterday set January 2 as the date to reopen negotiations and appeared confident that the membership would accept the terms.

One immediate problem being worked on by the Treasury is how to find the $500m Chrysler needs to stave off a cash crisis in mid-January.

The Bill grants a good deal of flexibility for the Government in supplying the first tranche of aid once "adequate assurances" of matching funds are obtained. In the meantime it is likely that Chrysler will try to push through asset sales to raise quick cash.

Mr. Iacocca has described the Bill as tough but sufficient to restore the company to full profitability.

Record public spending

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

EXPENDITURE ON goods and services by central and local Government rose to a record level in the first half of the current financial year.

Central Statistical Office figures for Gross Domestic Product published yesterday show that the volume of Government final consumption in the first half of 1979-80 was 2½ per cent higher than the average for 1978-79.

This was a major factor in the upward pressure on public sector borrowing during the first half of the financial year before the Budget spending cuts and cash limits squeeze had time to work through.

OUTPUT AND PROFITS

		Gross Domestic Product —average estimate 1975=100	Industrial and Commercial Companies—gross trading profits net of stock appreciation, £m
1978	1st	105.8	3,897
	2nd	107.8	3,849
	3rd	109.0	4,479
	4th	108.8	4,153
1979	1st	107.6	3,951
	2nd	111.7	4,646
	3rd	109.6	4,720

Source: Central Statistical Office, all figures seasonally adjusted

Government final consumption is only part of public spending. The other main components are transfer payments, such as social security benefits, which probably continued to grow in the period, and public sector investment, which may have fallen.

The provisional estimate for GDP in the July to September period shows that the underlying profits of industry rose during the summer.

Gross trading profits of industrial and commercial companies net of stock appreciation —that is after adjusting for the cost of financing stocks at higher prices—rose by 1.6 per cent to £4.72bn between the second and third quarters.

But this includes a rapidly rising contribution from North Sea oil activities, already reflected in BP's published profits. It is likely that later, more detailed figures will show that the real profits of the rest of British industry fell during the period.

On a longer-term comparison gross trading profits net of stock appreciation in the first nine months of this year were only 9 per cent higher than in the same period of 1978.

The general expectation is that, after excluding North Sea oil operations, real profits will fall over the next 12 months in response to the recession and the squeeze produced by a strong exchange rate and rising costs.

The new official figures also confirm that the output measure of GDP—usually the best indicator of short-term movements —fell by 2 per cent between the second and third quarters of this year. This reflects both the effect of disputes in the engineering and allied industries and the particularly high level of economic activity in the previous three months.

Company 'failed to keep pledge'

By William Hall, Shipping Correspondent

THE DEPARTMENT of Trade has said that Eurocanadian Shipholdings' divestment of 18.6 per cent of its stake in Furness Withy does not fulfill the undertaking the company gave to the Government in 1976. This is the first time it has had to make such a ruling.

Following a Monopolies and Mergers Commission report in 1976, Eurocanadian undertook to reduce its stake in Furness Withy from 24.9 per cent to not more than 10 per cent by December 28 this year.

Last month Mr. Frank Narby, chief executive of Eurocanadian, came up with a scheme whereby the Furness Withy shares would be transferred to the shareholders of Eurocanadian. Under the arrangements, Dolphin Investments (Mr. Narby's family investment vehicle) received 11.2 per cent of the Furness equity and Mr. Narby announced his resignation as chief executive of Eurocanadian with effect from January 1 next year. Another 3.9 per cent went to Helix Investments (essentially the interests of the Webster family of Canada and 3.3 per cent went to Canadian National Railways.

Mr. Narby believed that this fulfilled his undertaking to the Secretary for Trade. However, the Department does not agree and intends to tell Dolphin, Helix and Canadian National Railways of its decision.

It is clear that the Department cannot force Eurocanadian to sell its shares as was intended. Instead, the Secretary of State is prepared to bring forward a statutory Order to ensure that Eurocanadian cannot use the shares to gain board representations — effectively disenfranchising the shares.

Gibbs takeover talks

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

THE Hongkong and Shanghai Banking Corporation is discussing a take-over of Antony Gibbs, the small City merchant banking concern.

The Hong Kong-based bank already owns 40 per cent of Gibbs, having taken an initial 20 per cent stake in 1973. News of the bid approach added 22p to the Gibbs shares which closed at 71p yesterday, valuing the London bank at almost £14m.

Antony Gibbs is a member of the exclusive Accepting Houses Committee of London merchant banks. As such it is subject to possible Bank of England restrictions on the extent of foreign ownership of its capital.

Mr. John Baring, chairman of the Accepting Houses Committee, said last night that the Gibbs position would have to be considered. There were no rules strictly prohibiting such a move.

Mr. Geoffrey Fitton, finance director of Gibbs, thought that the merchant bank's future membership of the committee might depend on whether Hongkong and Shanghai was regarded as a British bank because it is based in a British colony.

Continued from Page 1

Steel strike

the corporation yesterday and rejected by the 60-man negotiating committee of the confederation as well as by the blastfurnacemen would add 3 per cent to the present national wage offer of 2 per cent in return for suspending the industry's guaranteed week system.

This guarantees steel workers 80 per cent of basic pay for days on which there is no work for them, and costs the corporation about £30m a year.

If the scheme is suspended, it will effectively pass to the Government the bill for lay-offs, since workers could claim dole money.

The corporation also offered "constructive discussions" on introducing a 39-hour week or a shorter working year from January 1, 1982. Its invitation to the unions to negotiate local productivity deals worth up to 10 per cent still stands, but has also been rejected.

Mr. Sirs said of the guaranteed week plan: "In money terms, it's worth a considerable amount more, but it means we would be paying for it ourselves. It's our money."

Continued from Page 1

Rhodesia

PF guerrillas in 16 and possibly more "assembly places."

Britain, Lord Carrington said, was fully committed to fair elections. The parties to the Agreements had committed themselves to a peaceful political campaign. Lord Soames, he added, had "the power to take whatever action is necessary to ensure compliance with the Agreements entered into here of only about 4 per cent on today."

In Salisbury, the Governor failed to announce dates for the planned election, to be held two months after the ceasefire date. Mr. Nicholas Fenn, the Governor's spokesman, said a decision would probably be made next week.

However, it is understood that Lord Soames is keen to bring the election forward to about February 20, rather than allow the campaign to last until early March.

Revenue powers may be probed

By Ivor Owen, Parliamentary Staff

THE GOVERNMENT is considering establishing an inquiry into the Inland Revenue's and Customs and Excise's powers to enter business premises and the private homes of executives whose companies are under investigation.

Mr. Peter Rees, Treasury Minister of State, told the Commons of the possible inquiry yesterday when he replied to complaints by Mr. David Atkinson, Conservative MP for Bournemouth E., about the methods used by Value-Added Tax and Inland Revenue inspectors.

The move follows Inland Revenue raids on the Rossminster tax advisory and financial management group and on the homes of some Rossminster directors. The Revenue action was ruled unlawful by the Appeal Court, but that judgment was reversed by the Lords.

Mr. Rees himself has been criticised by Labour MPs for holding a Treasury post when the affairs of Rossminster, for which he acted as legal adviser while practising at the Bar before the general election, are the subject of an Inland Revenue investigation.

In the Commons yesterday Mr. Rees referred to statements by Lord Wilberforce in the leading judgment in the Lords last week when the earlier decision by Lord Denning, Master of the Rolls, in favour of the Rossminster group was overturned.

"The integrity and privacy of a man's home and his place of business—an important human right—has since the Second World War been eroded by a number of Acts passed by Parliament," Lord Wilberforce had said.

Mr. Rees commented: "What was said on that occasion will, I have no doubt be studied inside and outside this House, and the proper lessons will be drawn."

But he doubted whether it would be possible to devise a single code of practice for both VAT and Inland Revenue inspectors because there were some differences in the legal provisions governing the two departments.

An earlier report had shown that, of 400,000 visits in a year to traders' premises, only 150 complaints were made regarding the behaviour of VAT officers. And careful investigation had shown only 29 of those to have been wholly or partly justified.

Weather

UK TODAY

FOG then bright spells. Rather cold.

London, C.S. and C.N. England, Midlands
Fog patches then sunny intervals. Wind variable. Cold. Max. 4C (39F).

S.E. and E. England, E. Anglia, Channel Isles
Sunny intervals. Mostly dry. Coastal snow. Max. 4C (39F).

S.W. England, S. Wales
Sunny intervals then cloudy. Max. 5C or 6C (42F).

N. Wales, N. England, Lakes
Fog, then bright. Snow on hills. Max. 4C (39F).

I. of Man, Borders, C. Scotland
Cloudy. Rain. Snow on hills. Max. 6C (43F).

Argyll, N.W. Scotland, Orkney, Shetland
Rain at first. Sun and showers later. Max. 6C (43F).

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	14	57	London	C	3	37
Amsdm.	C	—	30	Luxmbg.	C	−2	28
Athens	F	16	61	Luxor	S	23	73
Barclna.	C	5	41	Majorca	C	7	45
Beirut	S	18	64	Malaga	F	8	46
Belfast	Fg	3	37	Malta	S	18	64
Belgrd.	F	13	55	M'chstr	C	2	36
Berlin	C	0	32	Melbne.	C	19	66
Biarritz	S	2	36	Milan	R	3	37
Bmghm.	F	3	37	Mntreal.	C	−2	28
Blackpl.	C	4	39	Moscow	C	−3	27
Bordx	C	3	37	Munich	C	−2	28
Boulgn.	F	1	34	Nairobi	C	19	66
Bristol	R	3	37	Naples	C	17	63
Brussels	Sn	0	32	Nwcstl.	C	5	41
Budpst.	C	6	43	N. York	C	−1	30
B. Aires	S	29	85	Nice	R	7	45
Cairo	S	20	68	Oporto	S	7	45
Cardiff	R	3	37	Oslo	C	−10	14
Cape T.	S	30	86	Paris	C	0	32
Chicago	C	−6	21	Perth	S	30	86
Cologne	F	2	36	Prague	C	−1	30
Cpnhgn.	S	−1	30	Reykjvk.	C	−1	30
Corfu	F	18	64	Rhodes	F	18	64
Dublin	C	4	39	Rio J'o	S	27	81
Dbrvnk.	C	13	55	Rome	C	17	63
Ednbgh.	F	5	41	Salzbrg.	C	1	34
Faro	S	9	48	Singapr.	S	31	87
Florence	R	7	45	Stckhm	Fg	−7	19
Frankft.	S	2	36	Strasbg.	F	1	34
Funchal	C	15	59	Sydney	S	32	90
Geneva	C	0	32	Tangier	S	9	48
Gibrltr.	S	10	50	Tehran	S	4	39
Glasgow	C	5	41	Tel Aviv	S	17	63
Helsinki	C	−4	24	Tenerife	C	12	54
H. Kong	S	23	73	Tokyo	C	14	58
Innsbrk.	F	−1	30	Toronto	S	−3	26
Invrnss.	S	6	43	Tunis	F	17	63
Istanbul	F	14	57	Valencia	F	8	46
Jo'burg	S	27	80	Venice	R	5	41
L. Plms.	R	15	59	Vienna	C	1	34
Lisbon	S	9	48	Warsaw	C	0	32
Locarno	C	0	32	Zurich	C	−1	30

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Cold front over Jersey

The jobbers' price lists of gilt-edged stocks took on a festive appearance yesterday morning as the medium- and long-dated issues were marked up to take account of the interest that will accrue over the Christmas holiday. A few funds still seemed to be buying to window-dress their books for the end of the year, but trading was very thin, particularly in equities.

The more sober elements in the gilt-edged market remembered that Treasury 15 per cent 1985 wil go special ex-dividend for the first and last time on Thursday, which will give it some attraction for net funds. This stock closed £⅞ higher at £102¼, with accrued interest representing around £1½ of the price.

M & G

M & G could just be the tip of the iceberg. News that the Inland Revenue is contesting the tax exempt status of its foreign life fund comes a matter of weeks after it emerged that the tax authorities are also taking a close look at the tax treatment of sterling deposit funds operating from the Channel Islands. There are indications that this represents part of a serious attempt by the Revenue to crack down on the growing use of offshore funds for purposes of tax avoidance.

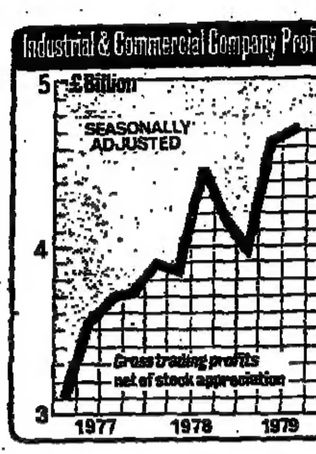
There is nothing particularly unusual about the business which M & G has been writing. The only way in which it is different from a number of other companies is that its year ends in September rather than December. It first learnt of the problem just three months ago.

In essence, the Revenue is attempting to show that what has always been treated as a gross fund should actually be regarded as a net fund. If it succeeds, then the potential deficiency on funds which amount to no more than about £8m could be as much as £7m. But the only sufferers are the holders of M & G's shares—three quarters of which are owned by Kleinwort Benson and a charitable trust — and the management's pride. Kleinwort is standing squarely behind the unit trust group, and the security of its unit and policy holders is not in question. Nor is the continued independence of M & G's highly successful management team, which is staying together.

Furness Withy

Mr. Frank Narby was off to Gstaad yesterday for a seasonal break; doubtless he will find

Index fell 0.6 to 419.6



time to study in the clear Alpine light the rulings of the Department of Trade on his "disposal" of the stake held by Eurocanadian Holdings in Furness Withy. Required by the Monopolies Commission to reduce Eurocanadian's 18.4 per cent holding to 10 per cent, Mr. Narby merely placed the shares with Eurocanadian's own shareholders.

Quite rightly, the DoT is not satisfied with this transfer. As Mr. Narby has contravened only the spirit rather than the letter of the Monopolies Commission instructions, however, it is unable to exact any penalty. Nor apparently, can it force any further disposal of the Furness shares now held by Eurocanadian's shareholders. But if these shareholders try to use their stake to gain representation for Eurocanadian on the Furness board, then the DoT can bring in an order freezing their voting rights.

So at least the DoT is not entirely reduced to impotent huffing and puffing. It may well be forced, though, to prove that it means what it says before this whole affair is cleared up, for Mr. Narby has probably not shot his bolt just yet.

Spoiling the party

If the ancient tradition of executing the bearer of bad tidings were still honoured, the Extel ticker-tape machine replacement industry would have have been well pleased with yesterday's company results. Sneaking out bad figures over the Christmas/New Year break —on the theory that everyone is either away, drunk or seasonally charitable—has degenera-
ted into a public relations el
In yesterday's crop of inte
results there were no less t
eight loss-makers, five of wh
had shown a profit in the sa
period of 1978. There were a
two companies whose pre-
profits fell by awesome prop
tions.' Mann Egerton was do
47 per cent at £1.4m, wh
Danks Gowerton tumbled 88
cent to £27,183.
The three companies t
slipped deeper into loss fa
better on the Stock Excha
than some of the others. T
share prices of Polly Peck, w
losses rising from £12,000
£29,000, and Bridgend P
cesses, up from £15,800
£174,500, each lost ½p to 6
Wharf Mill Furnishers, wh
loss rose from £41,500
£153,000, was steady on 7
Clearly, the market was
pressed by the resignation
the managing director and
new trading name "Challeng
adopted by the company.
The five remaining compan
include Sutcliffe Speakm
where there was a slight
provement after last ye
disastrous second half, a
Homfray, whose pre-tax pr
of £1m was transformed int
loss of £1.1m. The share pri
of these two were unchang
The market price of Celest
Industries, with a loss
£141,000 compared with
£455,000 profit, fell 3½p to 1
and Smith Whitworth was do
1p at 7p after revealing a l
of £88,700 compared with a p
fit of £83,800. Just in time
join this roll of dishonour, w
results that got on the Ex
service at 4.37p, was Aberfo
Plantations, where profits
£300,300 were transformed i
a loss of £155,300.

Company profits

Trading profits of indust
and commercial companies,
of stock appreciation, hav
moved ahead in the thi
quarter, in spite of the rapid
rising contribution from t
North Sea oil and gas secto
Over the first nine months
the year profits were 9 per ce
higher than in the same peri
of 1978, although the unde
lying rate of inflation moved
to about 14 per cent. Furthe
more, the profit figures do n
allow for the big increase
the cost of borrowing, whi
has led to substantial rises
interest charges for many co
panies. The engineering stri
may have done significa
damage in the third quarte
but with the underlying positio
worsening, there is little likel
hood of an early improvemen

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